



Daily Report

East Asia

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NOTICE: An * indicates material not disseminated in electronic form.

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ASEAN Urges PRC To Settle Disputes Through Dialogue

BK1106091096 Jakarta SUARA PEMBARUAN
in Indonesian 10 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Bukit Tinggi, 10 June — ASEAN has urged China to try to settle various old disputes through dialogue and peaceful means so that economic growth and development in the region will be sustained.

Izhar Ibrahim, director general for political affairs of the Department of Foreign Affairs, said this when opening the second ASEAN-Chinese consultative meeting in Bukit Tinggi, West Sumatera on Monday morning. The meeting is attended by senior officials from the seven ASEAN members and China.

According to Izhar Ibrahim, the political and security situation in the region is relatively stable and dialogue and peaceful means must be pursued to settle various old disputes so that the current situation in the region that concentrates on economic growth will be sustained.

According to him, ASEAN and China have cooperated in trying to settle the disputes through peaceful means and the means must be continued by the end of the current century.

China, a number of ASEAN members (Malaysia, Brunei Darussalam, the Philippines, and Vietnam), and Taiwan have overlapping claims over some areas in the South China Sea. The three other ASEAN members — Indonesia, Thailand, and Singapore — are not involved in the disputes.

PRC Adopts 'Increasingly Open Stance' Toward ASEAN

BK1206085096 Jakarta SUARA PEMBARUAN
in Indonesian 11 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Bukit Tinggi, 11 Jun — The PRC is adopting an increasingly open stance toward ASEAN regarding the South China Sea issues. This is seen by that country's willingness to discuss the issues in a formal setting at the second ASEAN-PRC consultative meeting in Bukit Tinggi, which began on 10 June.

Speaking at the end of the two-day meeting, Izhar Ibrahim, director general for political affairs of the

Foreign Affairs Department, concurrently chairman of the meeting, said: "I want to confirm that progress is being made in the PRC's stand in its dealings with ASEAN. They are now much more open. I believe we must use this opportunity to exchange views and to hold consultations with the PRC on important South China Sea issues." [passage omitted on the first ASEAN-PRC consultative meeting in Guangzhou]

Even though Indonesia is not one of the claimants in the South China Sea conflict, it does share a common border with the PRC, in the Natuna waters.

During the second ASEAN-PRC meeting, several ASEAN countries requested the PRC explain how it draws its base line [preceding two words in English] to determine its territorial waters. Sources at the meeting said that the ASEAN countries objected to the way the PRC drew its base line in view of the existing overlapping claims in the South China Sea. The PRC draws its base line from its outermost reefs, which is not acceptable to the International Law Convention of the Sea.

The sources noted that Indonesia also objects to the way the PRC draws its base line, but a PRC delegate said that the issue could be discussed later by maritime law experts, as it was highly technical in nature.

Commenting on the issue, Ishar Ibrahim said the PRC delegate stressed the need for an exchange of views among experts.

Nuclear Treaty

During the meeting, the PRC reiterated its support for the Southeast Asia Nuclear Weapons Free Zone. Ishar Ibrahim said that despite its support for the treaty, the PRC wants to know whether ASEAN has revised the treaty's protocol.

Leaders from the 10 Southeast Asian countries signed the treaty at the fifth ASEAN summit in Bangkok. They also agreed to revise its protocol due to objections by five nuclear powers (the United States, Russia, France, Britain, and the PRC). Those five nuclear powers will sign the protocol if it is revised.

"It is clear that nearly all nuclear powers support the treaty, but they want to see whether ASEAN has revised the treaty's protocol in accordance with their wishes," Ishar Ibrahim said.

Japan

Japan: MITI Official: Tokyo To Respect WTO Rules on Film Dispute

OW1306071196 Tokyo KYODO in English
0633 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japan will respect the rules of the World Trade Organization (WTO) no matter what action the United States will take on a bilateral photographic film trade dispute, a senior Trade Ministry official said Thursday [13 June].

U.S. sources earlier said Washington will lodge a suit Thursday with the Geneva-based international body regarding practices in the Japanese photo film and paper market.

"We cannot specify what we will do at this stage" as the ministry has no knowledge of the contents of the expected suit, vice International Trade and Industry Minister Tomio Tsutsumi said at a news conference.

"Whatever happens, we will deal with it in an orderly fashion under WTO rules," Tsutsumi said.

The Office of the U.S. Trade Representative [USTR] will hold a news conference Thursday, when it is expected to announce it will make a complaint to the WTO that Japan's Fuji Photo Film Co. is collaborating with the Japanese Government to block foreign access to the Japanese film market.

Eastman Kodak Co. filed a complaint last year with the USTR, which is conducting a yearlong probe into the Japanese film market under the Section 301 provision of the 1974 U.S. Trade Law involving possible trade sanctions.

Tsutsumi reiterated that Kodak's complaint concerns the enforcement of the Japanese antimonopoly law and that the company should seek a settlement by taking the case to Japan's Fair Trade Commission.

Japan: Ikeda Praises Outgoing U.S. Forces Japan Commander

OW1306102096 Tokyo KYODO in English
0943 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Foreign Minister Yukihiko Ikeda lauded the outgoing commander of U.S. military forces in Japan on Thursday [13 June] for the role he has played in helping to protect Japan's security and maintaining world peace.

He made the remarks in a meeting with Lt. Gen. Richard Myers, who will move to Washington to serve as assistant to Gen. John Shalikashvili, the chairman of

the Joint Chiefs of Staff, a Foreign Ministry official told reporters.

Ikeda and Myers, who will be replaced by Lt. Gen. Ralph Eberhart on Tuesday, also agreed that the two countries should continue to cooperate in resolving a host of tasks, including reduction of U.S. bases in Okinawa Prefecture in southwestern Japan, the official said.

Japan: Governor Ota To Meet Perry, Other Officials

OW1306041596 Naha RYUKYU SHIMPO
in Japanese 13 Jun 96 Morning Edition p 1

[FBIS Translated Text] Governor Masahide Ota will leave for the United States on 14 June to meet with Secretary of Defense William Perry, and other officials. It will be his 5th visit. In addition to calling for the return of U.S. bases in Okinawa, he plans to seek understanding for settlement of the base issue and utilization of base land after it is returned. Because of this, he will also meet with Walkman, vice president of the U.S. Chamber of Commerce and Industry at its headquarters, and Carpenter of the U.S. CATO [expansion unknown] Thinktank. Explaining the "Concept of Building an International City," which Okinawa Prefecture is planning, and "Action Program for Return of Military Bases," the governor will exchange opinions on the possibility of promoting such Japan-U.S. joint projects as attracting the Japan-U.S. federate college [rengo daigaku] and inviting U.S. corporations to Okinawa.

The governor will meet with Defense Secretary Perry for 30 minutes from 0930 (local time) on 17 June. Ota's meetings will be concentrated on 17 June. In addition to the secretary of defense, he will meet with nine people, including former Ambassador to Japan Mansfield, and [Johns] Hopkins University Professor Sayer.

Tokyo Pledges International Contributions for Disasters

OW1206162896 Tokyo KYODO in English
1514 GMT 12 Jun 96

[FBIS Transcribed Text] Istanbul, Turkey, June 12 KYODO — Japan pledged Wednesday [12 June] to make international contributions for natural disasters, but did not offer any specific increase in financial assistance to improve living conditions in developing nations.

In a speech at the Second U.N. Conference on Human Settlements, known as Habitat II, Japanese Government representative Hidefumi Minorikawa stressed the need for cooperation among governments, nongovernmental

organizations and international bodies in resolving human settlement problems.

Minorikawa also said Japan will sponsor a seminar on the living environment in the Asia-Pacific region this fall in Fukuoka, western Japan.

Habitat II is intended to increase awareness of the problems and potential of human settlements and commit world leaders to working toward safer, healthier, more equitable and sustainable cities, towns and villages.

Japan: Ozawa, British Leader Discuss Tokyo's Role in Asia

OW1306011096 Tokyo KYODO in English
0003 GMT 13 Jun 96

[FBIS Transcribed Text] London, June 12 KYODO — Japan's opposition leader Ichiro Ozawa told British Prime Minister John Major on Wednesday [12 May] that Japan should contribute to UN-led efforts for security in the Asia-Pacific region.

Ozawa, president of Japan's main opposition party, Shinshinto (New Frontier Party), opposed the argument that Japan should play a leading role for security in the region, Shinshinto officials said.

"It is Japan's obligation to play a role in UN-led security efforts," Ozawa reportedly told Major.

Ozawa also told Major that Japan is at a crossroads and faces a choice that could determine its future.

"Japan should bear more international responsibility as a country that stands on its own two feet in the era following the collapse of the Cold War structure," he reportedly said.

Ozawa, who visited China in May, said top Chinese officials view the return of Hong Kong to China next year as an important issue that affects the country's international image.

Major told Ozawa that Britain will maintain serious interests in Hong Kong after the return, saying Britain has strong ties with the colony, not only of trade and business but also of blood.

Ozawa, who left Tokyo last Saturday, is scheduled to return to Japan on Saturday. Before traveling to London, he visited the Netherlands, where he attended an international conference on political liberalism.

Japan: Spokesman on Security, DPRK, Burma, India

OW1206122996 (Internet) Japanese Ministry of Foreign Affairs WWW in English 11 Jun 96

[News Conference by Foreign Affairs Ministry spokesman Hiroshi Hashimoto with unidentified reporters on 11 June; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Introduction to the Press Conference and announcements to the Press A. The arrest of Japanese Red Army member Kazue Yoshimura B. Japan-Republic of India relations C. The situation in the Union of Myanmar II. Japan-U.S. security cooperation III. Humanitarian assistance to North Korea IV. Alleged North Korean missile capability V. United Nations humanitarian assistance to North Korea and the proposed four-party conference VI. North Korean Rodong missile development and reported possession of nuclear warheads VII. Possibility of North Korean matters being discussed at the Lyons G-7 Summit VIII. Reported misuse of disaster insurance funds by North Korea IX. Okinawa elections and the realignment, consolidation and reduction of United States bases on Okinawa X. Japanese policy regarding the State Law and Order Restoration Council (SLORC) and the National League for Democracy (NLD) in Myanmar [Burma] XI. Statement by Minister for Foreign Affairs Yukihiko Ikeda on the arrest of Japanese Red Army member Kazue Yoshimura XII. Distribution channels for humanitarian assistance to North Korea

I. Introduction to the Press Conference and announcements to the Press A. The arrest of Japanese Red Army member Kazue Yoshimura Foreign Ministry Spokesman Hiroshi Hashimoto: Good afternoon, ladies and gentlemen. "Kazue Yoshimura, a member of the Japanese Red Army was arrested thanks to the cooperation extended by authorities of the Republic of Peru. I would like to take this opportunity to express our great appreciation to the Government of the Republic of Peru. This arrest truly shows how important international cooperation is in the prevention of terrorism, including the finding and arresting of terrorists. I would like to continue with actually promoting this international cooperation vigorously." This is the gist of the remarks made by Minister for Foreign Affairs Yukihiko Ikeda on the arrest of Kazue Yoshimura. B. Japan-Republic of India relations

Foreign Ministry Spokesman Hiroshi Hashimoto: Newly-elected Prime Minister H.D. Deve Gowda of the Republic of India, sent a letter to Prime Minister

Mohtarma Benazir Bhutto of the Islamic Republic of Pakistan, in which he wished to develop a comprehensive dialogue to develop the bilateral relationship in many fields, and proposed to reopen deputy foreign minister meetings. The India-Pakistan dialogue had ceased in January 1994 when the deputy ministers of the two countries talked about the Kashmir issue. The Government of Japan hopes for the reopening of the dialogue to improve the bilateral relations between the two countries. C. The situation in the Union of Myanmar

Foreign Ministry Spokesman Hiroshi Hashimoto: Thirdly, on matters relating to the Union of Myanmar, on 6 June, Japanese Ambassador to the Union of Myanmar Yoichi Yamaguchi, appealed to the Ministry of Foreign Affairs of Myanmar that the meetings held by National League for Democracy (NLD) Chairman Aung San Suu Kyi of the Union of Myanmar should be permitted from the viewpoint of freedom of political activities. On 7 June, the State Law and Order Restoration Council (SLORC) of the Union of Myanmar issued a new law — the law protecting the peaceful and systematic transfer of state responsibility and the successful performance of the functions of its national convention against disturbances and opposition. And, on 8-9 June, the weekly meeting in front of NLD Chairman Aung San Suu Kyi took place as scheduled. SLORC did not interfere in the meetings. On 10 June, Chief Cabinet Secretary Seiroku Kajiyama stated at his press conference that the Government of Japan hopes that political activities will be respected in Myanmar and that SLORC will continue its restraint measures against the NLD. The situation in Myanmar remains unpredictable. The Government of Japan is closely watching the situation with concern.

Those are the announcements that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Japan-U.S. security cooperation

Q: Many of the Japanese papers this morning reported that the Japanese Government has decided, or is studying, the possibility of stepping up cooperation with the United States when there is a conflict on the Korean Peninsula — as being different than when conflict occurs in other parts of the Far East. They would take it as a strong threat toward Japan when there is a case on the Korean Peninsula.

[paragraph continues] Some of the reports said that the Japanese Government would treat such a situation almost the same as a threat on Japan itself. Could you confirm the situation, and could you tell us what some

of the cooperation actions are that will be stepped up between the U.S. and Japan?

A: I believe you are talking about the so-called guidelines of Japan-U.S. defense cooperation. The so-called mini-Security Subcommittee (SSC) meeting took place on 28 May. First of all, I would like to tell you what basically was agreed on at that meeting. Firstly, the two sides decided to reform the Subcommittee on Defense Cooperation (SDC). Under the new Subcommittee, the two governments will review the present guideline. Secondly, at the end of this month, Defense Department Under Secretary for Policy Walter Slocombe of the United States of America is expected to visit Japan. Both governments intend to formally announce the reform of the SDC. The new terms of reference will be published then. Thirdly, in September, both governments intend to hold the so-called 2+2 Meeting. The two governments intend to publicize a sort of progressive report of the review of the guidelines. As for the Japanese side, the Ministry of Foreign Affairs and the Defense Agency have been reviewing this, but have not yet reached any conclusion. In this sense, what the newspaper reported is speculation. I would like to remind you that the Cabinet itself is reviewing, or studying, the so-called emergency measures. The study of the review of defense cooperation will be done together with the study of emergency agencies.

III. Humanitarian assistance to North Korea

Q: It was reported that the leaders of the current Japanese political parties agreed that Japan should provide North Korea with US\$6 million worth of material. Is that position of the political parties comfortable for the Japanese Government?

A: I would like to emphasize that the Government of Japan is now at the advanced stages of the decision-making process. However, the Government has not entered the stage of final decisions and its announcement. This morning, the Government had a chance to talk to the Foreign Affairs Committee of the Liberal Democratic Party (LDP). Tomorrow, we understand that the Joint Foreign Policy Coordination Committee of the Coalition Party will take place. The Government is going to consult with the Committee tomorrow, too. At the same time, we know that the Government of the Republic of Korea announced its emergency aid to North Korea in the amount of US\$3 million. The Republic of Korea has already informed us of this. The Government of Japan is also informing the Governments of the Republic of Korea and the United States about the process of our decision on the aid.

IV. Alleged North Korean missile capability

Q: Recently, the Asahi Shimbun reported that the North Koreans have four nuclear missiles. Could you tell me how the Japanese Government Self Defense Forces survey the missile situation in North Korea?

A: The Japan Self Defense Forces are exchanging information with Japan's ally, the United States. As far as this particular issue is concerned, we are now investigating whether or not the newspaper reports reflect reality or not. We understand that Vice Chairman of the Foreign Economic Committee Kim Jong U of North Korea did not tell Deputy Assistant Secretary of State Thomas Hubbard of the United States of America that North Korea owned four missiles. But, in any case, we are investigating whether North Korea has four missiles.

V. United Nations humanitarian assistance to North Korea and the proposed four-party conference

Q: Could you tell us the background of how the United Nations came up with this deal to Japan, South Korea and the United Nations for food aid to North Korea, and if it is connected in any way to the four-nation peace proposal? If it is not connected, if it is not a condition, do you hope that North Korea would reply positively to the U.S. and South Koreans?

A: Three countries — the United States, Japan and the Republic of Korea have been independently studying whether any of those countries would extend food aid to North Korea. When the Deputy Ministers Meeting took place on Cheju Island, they exchanged views on the food situation and the economic situation in North Korea. The three countries more or less shared the same evaluations on this, and after that, on the initial United Nations Department of Humanitarian Affairs (DHA) appeal. While information was being exchanged among the three countries, the Republic of Korea announced the aid to North Korea. Japan, as I said, is at the advanced stages of decision making. We have been informed that the United States is also at the final stage of finalizing its aid. I believe all three countries are independently deciding. At the same time, all three countries have extended or are going to extend aid for humanitarian purposes. If you talk about other aspects — for example, the four-party conference is still an outstanding issue — we sincerely hope that North Korea will respond positively on this. But, we have not yet received any information on a new move by North Korea.

Q: My question was were the two connected in any way — was it a condition?

A: It was not a condition.

VI. North Korean Nodong missile development and reported possession of nuclear warheads

Q: You said the Japanese Government is investigating the report, from which I take it that you are at least entertaining the possibility that it might be accurate. But, before that report was made, what was the Government of Japan's assessment of North Korea's nuclear capabilities?

A: As far as nuclear capabilities are concerned —

Q: Nuclear weapons and possible nuclear warheads.

A: We are very much interested in the development of the so-called Nodong missile. We understand that North Korea is contemplating developing another type of missile which can reach farther than the Nodong. While we are following what they are doing, we have not received concrete information which we can publicize. What we can say is that we are following what is going on over there, together with our ally, the United States.

Q: Before this report was made, did Japan have its own estimate of the number of warheads, if any, that North Korea had?

A: If you talk about warheads, the Government of Japan has not obtained any specific information on whether the North Koreans own a specific number of warheads or not.

VII. Possibility of North Korean matters being discussed at the Lyons G-7 Summit

Q: Do you think there is a possibility that the G-7 economies will take up the North Korean matter at the Summit in Lyons?

A: As you know, at the G-7 Summit, the participants will freely exchange views on various subjects. On the basis of past experience, they will exchange views on the regional political situation, and the Government of Japan, the Republic of Korea and the United States have been urging their European colleagues to be more interested in the situations on the Korean Peninsula. Therefore, there is a big possibility that the Korean matter will be discussed among the Summit participants. But still, we do not know how they will touch on the subject.

Q: Will Japan or the United States bring any specific proposals or suggestions to Lyons regarding the Korean Peninsula?

A: As far as the political subject is concerned, we have to wait until the Communiqué or Chairman's Declaration is issued. There are still many more days

to come, and we can include many things in the Chairman's summing up.

Q: For instance, will Japan or the United States be encouraging European countries to give any more money to KEDO?

A: As far as that subject is concerned, there has been a move inside the European Union to contribute a specific amount of money to the Korean Peninsula Energy Development Organization (KEDO). We hope that the European Union would formally adopt this and contribute money to KEDO.

Q: The EU has, in turn, been pressing for a seat on the KEDO committee or governing body. Is that request — that wish — likely to be granted?

A: I do not have an answer on this. I will check on it and get back to you. But, in any case, that is not a matter to be discussed at the Summit.

Q: No, that wouldn't be discussed at the Summit.

A: No, I think not. But, in any case, I will check and come back to you later.

VIII. Reported misuse of disaster insurance funds by North Korea

Q: There are reports that North Korea received insurance payments for drought and floods, and did not use it for food. Do you have any information about this?

A: Yes. We are also investigating this matter. We have heard the report itself, but we have not yet found out whether the report is correct or not. But, in any case, we understand that the DHA itself issued the appeal, based on the firm investigation of the food situation, and so on. However, on this particular insurance matter, we are finding out whether this reflects reality or not.

Q: If this report turns out to be true, meaning North Korea received the money and did not spend it on food, is Japan willing to contribute the aid if that is the case?

A: We understand that the DHA and the World Food Plan (WFP) and other agencies have sent various missions to North Korea, and they took into consideration all possible factors. On the basis of this, they just issued an appeal. This is what the Government of Japan understands.

Q: So, the report about the misuse of the insurance funds has not caused Japan in any way to reassess its aid policy to North Korea?

A: We simply cannot at the moment confirm whether the report is correct or not. Therefore, to be frank, we cannot make a comment on that.

IX. Okinawa elections and the realignment, consolidation and reduction of United States bases on Okinawa

Q: Last Sunday there was an election in Okinawa. The pro-Ota forces won by a kind of landslide. How does this political development impact the talks on the review of Futenma Air Station?

A: I am a civil servant who works for the Ministry of Foreign Affairs. I do not think it is appropriate for me to make a comment on Okinawa's prefectural election results. In any case, the Governments of Japan and the United States are determined to make the final report on the realignment, consolidation, and reduction of bases on Okinawa by November. In order to realize the task in front of us, the central Government has to get the full support of Okinawans. So, whatever the results of the prefectural elections in Okinawa, the central Government wants to jointly tackle this issue.

Q: Is it possible?

A: We have to do so. Yesterday, when Governor Masahide Ota of Okinawa Prefecture came to participate in the consultations with the central Government, it was not our understanding that he was opposed to joint cooperation on this issue.

X. Japanese policy regarding the State Law and Order Restoration Council (SLORC) and the National League for Democracy (NLD) in Myanmar [Burma]

Q: Yesterday, Ambassador Brown of the United States was in Tokyo talking to Foreign Minister Ikeda in order to coordinate policy on Myanmar. Can you tell us what they talked about and what they agreed on?

A: Yesterday, Ambassador William Brown of the United States of America told Foreign Minister Ikeda that his purpose for visiting Japan and the ASEAN countries is to study how to avoid the further deterioration of situations in Myanmar, and how to promote dialogue between SLORC and the NLD. Foreign Minister Ikeda replied that the Government of Japan is very much concerned about the political situation in Myanmar. Japan also wants to avoid further tense situations in Myanmar, and is trying to find out how it can help improve the situation through dialogue between the two parties. Secondly, Foreign Minister Ikeda said that it is effective for the countries concerned to call upon, individually, the Government of Myanmar to take further steps for democratization. Thirdly, Foreign Minister Ikeda said that the Government of Japan has been maintaining dialogue both with the Government of Myanmar and the NLD, and that Japan will continue

to study what it can do on this matter. This is more or less what the two gentlemen talked about.

Q: Apart from the two individual countries making personal representations to the Myanmar Government, what other means of promoting dialogue between the two sides were discussed or considered?

A: For the time being, I understand that both the United States and Japan are happy that the two countries, the other ASEAN countries, and all countries concerned independently approached the Government of Myanmar. But, we have to watch the present situation in Myanmar and wait and see whether the present efforts are sufficient or not.

Q: If the situation deteriorates, would Japan consider sanctions of some kind?

A: It is a bit too early for us to talk about this. The direct conflict between the two parties will not give any satisfactory answer to the question. We understand that the role of the Government of Japan is to do its best to see that conflict will not happen. So, we hope that some kind of dialogue can be established between the two parties, rather than having to think of measures against Myanmar.

Q: You haven't ruled out the possibility of countermeasures?

A: We do not want to make a comment on this, because we have been endeavoring to talk to SLORC and the NLD, and for the time being, NLD Chairman Aung San Suu Kyi has shown restraint. Therefore, we hope that the Myanmar wisdom can work over there.

Q: Could you tell us about the kinds of contact Japan has had with the NLD?

A: We have been constantly contacting NLD Chairman Aung San Suu Kyi and her colleagues, but we do not publicize — each time — when we meet or what we talk about. But, we have been communicating with her and her colleagues.

Q: You said that the Ambassador to Myanmar had urged restraint and caution on the part of SLORC. Have Japanese officials made recommendations or suggestions to the NLD about the way they conduct themselves?

A: For example, we have also been telling NLD Chairman Aung San Suu Kyi and her colleagues that we are also communicating with SLORC. And, we ask the NLD to also show further restraint on this, so that direct conflict between the two parties will not take place.

Q: You pointed out that Aung San Suu Kyi has recently been exercising notable restraint herself. Is that a course of action which Japan approves or recommends?

A: She is a very independent, shrewd politician. I do not think any of the governments can influence her. But, at the same time, I think she has a great capacity to listen to the advice or information given to her. In any case, we have been telling both SLORC and the NLD that they should endeavor to establish some kind of direct contact.

[paragraph continues] At the same time, we have been telling SLORC that Myanmar itself should further democratize, and that a civilian government should be established with a new constitution. The Government of Japan advises SLORC to try to get various opinions from the various sectors of society in Myanmar.

XI. Statement by Minister for Foreign Affairs Yukihiko Ikeda on the arrest of Japanese Red Army member Kazue Yoshimura

Q: The gist of remarks by the Foreign Minister refers to Kazue Yoshimura, member of the Japanese Red Army. I am not clear about the early details of the case, but it was my understanding that Yoshimura has not been tried, and that she denies involvement in the crimes of which she is suspected. Does that statement that she is a member of the Japanese Red Army suggest that Foreign Minister Ikeda is convinced of her guilt before she stands trial?

A: That lady who was arrested did not confess that she was Kazue Yoshimura. However, the Japanese National Police believes that that lady is Kazue Yoshimura, who is a member of the Japanese Red Army. On the basis of that, Foreign Minister Ikeda issued his statement on the subject.

XII. Distribution channels for humanitarian assistance to North Korea

Q: How did the Government decide the amount of the donation to North Korea, and do you believe that it will be used for food purposes and not for the military?

A: As I said, the Government of Japan is in the advanced stage of the decision-making process, and we hope that we can gain a consensus among the coalition parties as soon as possible. Whenever this is possible, we want to publicize this. This is one point. The other point is, we are not in a position yet to confirm the exact amount of aid to North Korea now; however, this money is going to be donated to North Korea through the United Nations organizations, and we trust in their ability to distribute the necessary commodities to the necessary people in need. Thank you very much.

Japan: SDP Head Urges DPRK Participation in Hosting World Cup

*OW1206062396 Tokyo KYODO in English
1139 GMT 11 Jun 96*

[FBIS Transcribed Text] Tsuruga, Japan, June 11 KY-ODC — Former Prime Minister Tomiichi Murayama on Tuesday [12 June] urged that North Korea be allowed to host some of the 2002 World Cup soccer finals as part of his overall plan to promote cooperation around the Sea of Japan.

"It was decided that Japan and South Korea would jointly host (the World Cup), but there is still plenty of time," the head of the Social Democratic Party told reporters in this Sea of Japan coastal city in Fukui Prefecture.

"We should give all our efforts in order to gain the consent of the people of Japan and to realize a three-nation hosting (of the World Cup)," said Murayama, the first member of Japan's ruling coalition to suggest including North Korea in the cohosting scheme.

Executives of FIFA, soccer's world governing body, decided May 31 that the finals for the sport's premier event in 2002 would be held in Japan and South Korea, after the historical rivals waged a bitter campaign to be the first nation to host the World Cup in Asia.

FIFA President Joao Havelange dismissed the idea of North Korea hosting some of the World Cup matches at a meeting of the Asian Football Confederation over the weekend in Kuala Lumpur, saying that the 64 matches of the finals had been awarded to Japan and South Korea.

Also on Tuesday, Murayama also called on the Japanese Government to establish measures to boost the development of the Tumen River region between North Korea, Russia and China.

He also urged the conclusion of an environmental protection treaty for the Sea of Japan as well as the creation of an assembly of local and regional leaders along the waters separating Japan from the Asian continent.

Tokyo Establishes Diplomatic Relations With Liechtenstein

*OW1206122896 Tokyo KYODO in English
1035 GMT 12 Jun 96*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Japan formally established diplomatic relations with Liechtenstein on Wednesday [12 June], a Foreign Ministry spokesman said.

Representatives of the two countries exchanged documents on the opening of the diplomatic links in Liechtenstein's capital Vaduz earlier in the day, the spokesman said.

Liechtenstein is a small principality in central Europe with a population of about 30,000.

Japan: Foreign Minister Welcomes Talks on Northern Ireland

OW1306001696 (Internet) Japanese Ministry of Foreign Affairs WWW in English 10 Jun 96

["Statement" by Foreign Minister Yukihiko Ikeda on the holding of all-party negotiations on the Northern Ireland issue on 10 June; place not given; from the "What's New" link]

[FBIS Transcribed Text] 1. Japan has been making clear its position of strongly hoping for a peaceful solution to the Northern Ireland problem, which is a serious conflict including terrorist activities between the Catholic and Protestant communities in Northern Ireland of the United Kingdom. Japan welcomes the opening of the plenary session of All-Party Negotiations on June 10 (local time) in Northern Ireland to solve the problem through dialogue.

2. Japan highly values the efforts made by the British and Irish Governments for the realization of the All-Party Negotiations, and it expects that the Negotiations will be a success, bringing about progress toward a peaceful settlement of the Northern Ireland problem.

Japan: Kubo Says Government Preparing Yen Loans to Indonesia

*OW1206233796 Tokyo KYODO in English
1413 GMT 12 Jun 96*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Japan is putting the final touches to a yen-loan plan for Indonesia, Finance Minister Wataru Kubo told Indonesian coordinating minister for economics, finance and industry and development supervision Saleh Afiff on Wednesday [12 June].

Kubo told Afiff that the government is in the last stage of drawing up an aid package for Indonesia, including yen loans, ahead of an international meeting for aid to Indonesia to be held in Paris on June 19 and 20, Finance Ministry officials said.

Meeting with afiff at the Finance Ministry, Kubo said he has heard of Indonesia's remarkable economic progress and that he hopes the country will continue its tight credit policy to keep down inflationary pressures, according to the officials.

Afiff said the current inflation rate in Indonesia has declined from year-earlier levels and that tight monetary measures will continue.

Japan: 'Feature' Discusses NGO Assistance in Former Yugoslavia

OW0906062196 Tokyo KYODO in English
0539 GMT 9 Jun 96

["Feature" by Jon Herskovitz: "Japanese NGO's Establish Assistance Programs in Bosnia"]

[FBIS Transcribed Text] Tokyo, June 9 KYODO - even though Japanese diplomats and government personnel have been largely absent from implementing a peace accord in the Former Yugoslavia, Japanese nongovernmental organizations (NGOs) are on the ground in the war-torn region conducting diplomacy through humanitarian efforts.

Two Japanese NGOs have already started relief efforts in Bosnia-Herzegovina and a medical relief operation is scheduled to start before the end of June.

The leaders of the NGOs sending missions to Bosnia said it is the responsibility of Japan to act in the Former Yugoslavia.

"Japan has a special role to play in the world and in the Former Yugoslavia," said Yukie Osa at the Japanese branch of the Association to Aid Refugees (AAR). She is directing a project to establish a mobile clinic in Bosnia from this month.

The secretary general of another group, which has launched a medical relief program in the Former Yugoslavia, said it is the role of Japanese to think and act with humanitarian regard to the other people of the world.

"Japan has played a great role in the world in terms of economics and economic assistance, but we have to think about our humanitarian mission in the world," said Yuji Kondo of the Association of Medical Doctors in Asia (AMDA) based in Okayama Prefecture, southwestern Japan.

"There is a lot of talk in the economic community about 'interdependency,' but I do not believe some political leaders see the need for interdependency in humanitarian efforts in the Former Yugoslavia," Kondo added.

AAR, AMDA and Japan Emergency NGOs (JEN) are the three groups sending missions to Bosnia-Herzegovina to conduct medical and humanitarian assistance programs.

AMDA sent its first team of five doctors there in the first week of June to conduct medical relief operations in areas around the cities of Sarajevo and Goradze. They will send another group to conduct medical relief at the end of June, AMDA officials said.

The AMDA relief program, which is designed to restore the level of medical facilities in the region is expected to last a year, but "AMDA will continue its operations in Bosnia if we are doing well in providing medical support," Kondo said.

Meanwhile, on behalf of AAR, Jun Onoki, a doctor specializing in obstetrics and surgery at Chiba University, will shortly begin running its mobile clinic which will continue indefinitely to carry out medical examinations and treatment for the Croatian, Muslim and Serbian populations. Its main goal is to help children, whose medical care has been neglected during the civil war.

"For three or four years children have not been receiving vaccinations and we are establishing the mobile clinic to help these children," Osa said.

Jen, which conducted a relief program last fall in the Serbian capital of Belgrade, will conduct social service projects in Goradze and other areas in Bosnia. The group said, "The objectives of the projects are to encourage people to feel positive about their lives and to be active to reconstruct their lives both physically and mentally."

The mission in Bosnia is not the first international relief effort for any of these groups.

In 1995 alone, AMDA conducted relief operations in the Kobe region in the wake of a huge earthquake that leveled the western Japanese port city and killed more than 6,000, while establishing programs in Zambia and in the Russian areas of Chechnya and Sakhalin Island.

"It is the role of our organization to help wherever we can help," said AMDA's Kondo.

AAR started with relief efforts in Indochina and has branched out to the African nations of Zambia, Angola and Rwanda.

Although the spirit of help is growing, with AAR and AMDA both reporting an increase in membership over the past year, the money for NGOs in Japan is starting to dry up.

According to Osa, AAR receives money from individual and corporate donations and from the central government. However, the Tokyo-based NGO incurred a 50 percent cut in the money it receives from the Posts Ministry from a fund that is tied to the interest rates of postal savings accounts.

Money from the fund is earmarked for charitable projects.

Other Japanese NGOs, such as the Defense of Green Earth Foundation and the Japan International Volunteer Center, are also feeling the pinch and it has been reported both groups experienced a substantial drop in income because of the reduction of interest rates on postal savings accounts during the last five years.

Despite the cuts in funding, the leader of one of Japan's largest NGOs and a main advocate of the NGO system, argues that nongovernmental organizations are essential to fill the gap in Japan between public interest and bureaucratic policy regarding international engagement.

Tadashi Yamamoto, president of the Japan Center for International Exchange, wrote in a recently published book, "There is an increased recognition that in a more pluralistic society, nongovernmental public policy specialists are needed to provide a more integrated and longer-term vision of foreign policy goals."

Tokyo Grants Y950 Million To Aid Tanzania Food Production

*OW1206123096 Tokyo KYODO in English
1042 GMT 12 Jun 96*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Japan has offered up to 950 million yen in grant-in-aid to Tanzania to help boost food production in the East African nation, the Foreign Ministry said Wednesday [12 June].

Notes on the economic assistance were exchanged between officials of the two countries in Dar es Salaam, the capital of Tanzania, earlier in the day, the ministry said.

The sum will be used to purchase fertilizers, agricultural chemicals and machinery so as to increase Tanzania's self-sufficiency in food, it said.

Japan: Financial Institution Capital Investment To Rise

*OW0706141096 Tokyo KYODO in English
1309 GMT 7 Jun 96*

[FBIS Transcribed Text] Tokyo, June 7 KYODO — The combined capital investment of 201 banks, securities and insurance companies in fiscal 1996 will total 1.5 trillion yen, up 7.0 percent from the previous year, for the first increase in six years, the Bank of Japan [BOJ] said Friday [7 June].

For the fiscal year which began April 1, the investment in plant and equipment by 149 banks and 25 insurance

companies will rise 9.2 percent and 7.0 percent, respectively, the central bank said.

Meanwhile, investment by 27 securities companies will decrease 40.4 percent, it said.

In fiscal 1995 the combined investment of the three types of institutions was down 17.0 percent from a year earlier, it said.

Japan: Capital Spending Recovery Expected To Remain Moderate

*OW1106142796 Tokyo KYODO in English
1154 GMT 11 Jun 96*

[FBIS Transcribed Text] Tokyo, June 11 KYODO — The momentum of recovery in Japan's corporate capital spending will remain moderate for the next six to 12 months, with currently active semiconductor-related spending gradually running out of steam, a bank report said Tuesday [11 June].

The report, issued by the Industrial Bank of Japan, said that Japan's corporate capital spending turned upward in fiscal 1995.

The recovery, however, has been mild because the nonmanufacturing sector, particularly the construction and real estate industries, remained inactive as they were hit hard by land price declines.

Spending by the manufacturing sector was also set back by 5 to 7 percentage points because of falling domestic production due to both the shifting of production overseas and expanded imports, the report said.

It predicted that over the next six to 12 months, the nonmanufacturing sector will start to increase spending. Particularly expected to grow is spending on new outlets by the retail sector, following the government's deregulation of large-scale retail stores.

On the other hand, spending is likely to slow in the semiconductor-related businesses that have been supporting the current mild recovery, as demand for semiconductors is declining, it said.

The growth of capital spending overall will therefore remain moderate, it said.

The Bank of Japan, in its quarterly "tankan" survey on business sentiment, released last Friday, projected a year-on-year 6.0 percent rise in corporate capital spending in fiscal 1996, ending next March 31.

Japan: Trade Ministry Official Still 'Cautious' on Economy

OW1006131596 Tokyo KYODO in English
0757 GMT 10 Jun 96

[FBIS Transcribed Text] Tokyo, June 10 KYODO — A senior Trade Ministry official Monday [10 June] presented a cautious view on the future course of the economy, while welcoming a mild economic recovery confirmed in a key Bank of Japan survey released Friday.

"We still have to closely monitor" economic trends, Vice International Trade and Industry Minister Tomio Tsutsumi said at a news conference.

The Central Bank's "tankan" quarterly survey on business sentiment showed that the key index of corporate confidence in May improved to minus 3 in June from the minus 12 registered in the previous survey conducted in February.

The figure represents the percentage of companies saying their business climate is improving minus those reporting worsening business conditions.

"I am glad that a gradual (economic) recovery has been confirmed (by the report)", Tsutsumi said.

Asked if public works spending and other stimulus measures will be necessary later in fiscal 1996 through March 1997, Tsutsumi said, "it is too early to discuss (the matter)."

Japan: World Cup Economic Y1.9 Trillion 'Ripple Effect' Expected

OW1006130896 Tokyo KYODO in English
1139 GMT 10 Jun 96

[FBIS Transcribed Text] Tokyo, June 10 KYODO — The 2002 World Cup finals that will be jointly hosted by Japan and South Korea will have a ripple effect of 1,884.8 billion yen [Y] on the domestic economy, a bank-affiliated think tank said Monday [10 June].

The positive effect amounts to 0.21 percent of the gross domestic product in fiscal 1994, said the Hamagin Research Institute, a research institute affiliated with the bank of Yokohama.

The Japanese World Cup bidding committee had earlier projected that the economic effect would be 3.25 trillion yen on the presumption Japan would be the sole host of the event.

Since the event will be co-hosted by both Japan and South Korea, the "positive economic effect will be smaller, with the number of soccer matches being halved

and less people coming to watch them," said an official of the research institute.

By industry, the construction sector is likely to see the biggest economic effect with an estimated 563.8 billion yen. Other industries such as steel, cement, commerce and food are also seen to benefit.

Total expenditures resulting from the sports event is seen to be 756.4 billion yen, the think tank projected.

Spending in admission fees, food, hotel and sightseeing expenses, is expected to come to 107.6 billion yen.

Investment in construction of soccer stadiums is seen to amount to 550 billion yen, while sales of commercial products is predicted to reach 79.8 billion yen, the think tank said.

The projection is made on the assumption that Japan will host half of the planned 64 soccer matches in eight places around the country, and that visitors to the matches will total 1.59 million.

This also takes into account the expected number of visitors to the matches to be held in the year 2001 as well as to the stadiums where matches are hoped to be broadcast live in three-dimensional images.

Japan: Official Says Banks Pondering Greater 'Jusen' Burdens

OW1206062296 Tokyo KYODO in English
0508 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — A banking industry leader told the Diet Wednesday [12 June] that the banking industry is seeking to find ways to shoulder more of the burdens for the liquidation of seven failed "jusen" housing loan firms.

Shunsaku Hashimoto, chairman of the Federation of Bankers Associations of Japan, made the remark as an unsworn witness at a session of the House of Councillors Committee on Financial Issues.

"(We) are searching for ways to make new contributions" to the liquidation plan, he said.

Under a government plan, the banks that founded jusen companies are to abandon all claims to 3.5 trillion yen in loans to the mortgage firms and other creditor banks write off 1.7 trillion yen worth of loans.

Japan: MOF Makes New Fund Proposal To Settle 'Jusen' Issue

OW1206163196 Tokyo KYODO in English
1510 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — The Ministry of Finance (MOF) proposed to the banking

industry Wednesday [12 June] the idea of creating a 700 billion yen fund to help ease the burden on taxpayers in a scheme to liquidate failed "jusen" housing loan companies, ministry officials said.

The proposal came at a meeting between Yoshimasa Nishimura, director general of the ministry's Banking Bureau, and leaders of banks that founded the seven jusen companies, the officials said.

Under the proposal, the ministry will allow a special lending function for the proposed private-sector fund to pave the way for the Bank of Japan (BOJ) to join the fund.

The officials said the lending function attached to the proposed fund would enable it to make loans to the planned Japanese version of the U.S. Resolution Trust Corp. (RTC) in order to clarify the fund's role in maintaining the stability of Japan's financial system.

To seek donations from the BOJ to the proposed fund, it is necessary to make it clear that the money will be used not to save specific institutions but to maintain the soundness of the overall financial system, they said.

Like the RTC, which is engaged in disposal of failed savings and loan associations, its Japanese version will take over the operations of collapsed credit unions.

The introduction of the special lending function is also intended to help facilitate the financial circle's acceptance of the proposal, the ministry officials said.

If the aim of the fund is considered as maintaining the stability of the Japanese financial system, it would help protect banks and other institutions from possible damage suits to be filed by shareholders when they donate money to the fund, the officials said.

It is expected to take some time for the BOJ to decide whether to donate money to the proposed fund, BOJ sources said.

Some central bank officials are showing a cautious stance, insisting the idea of providing the special lending function to the fund will dilute the BOJ's function as the last lender, the sources said.

The ministry's proposal calls on the founder banks and other financial institutions to create a fund by donating a total of 700 billion yen.

The ministry is asking banks, including the founders of the jusen firms, to donate a total of 500 billion yen to the proposed fund, the ministry sources said.

It is seeking 100 billion yen from agricultural financial institutions, the biggest collective creditors of the housing loan companies, and also 100 billion yen from the BOJ, they said.

The pooled 700 billion yen money will be managed with a compound interest rate of 3.8 percent per annum to earn investment returns of 520 billion yen over a 15-year period.

The 520 billion yen will be funneled to the national coffers to cover part of the 685 billion yen in taxpayers' money to be used for the liquidation scheme.

Under the government scheme, the founder banks and other institutions will share costs of liquidating the jusen, which are saddled with huge problem loans.

The use of the 685 billion yen, however, angered taxpayers, prompting the government to seek additional contributions from the financial circle to the liquidation scheme.

The ministry sources said the ministry is aiming to eventually offset the use of taxpayers' money with the envisaged yields from the new fund.

In addition to creating the fund, the ministry is seeking to have banks and farm-linked organizations abandon their January-March interest income from loans to the jusen and return them to the national coffers, the sources said.

The receipt of interest payments from the jusen in the January-March quarter total 60 billion yen for agricultural institutions and 20 billion yen for non-founder banks.

The ministry also wants to increase the amount of jusen loans to be recovered through a new organization by 80 billion yen by strengthening the body's loan-recovering activities, the sources said.

Japan: MOF Prepares Measures To Avoid Lawsuits Over 'Jusen'

*OW1206142196 Tokyo KYODO in English
1358 GMT 12 Jun 96*

[FBIS Transcribed Text] Tokyo, June 12 KYODO — The Ministry of Finance has worked out a package of measures to avert possible litigation by shareholders against banks over their contributions in a scheme to dismantle the seven moribund "jusen" housing loan companies, MOF sources said Wednesday [12 June].

The package is expected to clear the way for getting rolling a MOF plan to create a new investment fund meant to reduce taxpayers' burden from the originally envisaged 685 billion yen in the jusen liquidation, which is estimated to cause losses totaling 6.27 trillion yen.

The package calls for the ministry to file a formal request to the banks for financial contributions for the proposed fund, the sources said.

It also asks the Diet to formally issue a declaration seeking the banks' contributions, and pledges their contributions will be used to help preserve stability of the nation's financial system, the sources said.

The ministry will devise a mechanism to prevent a decrease of the fund's principal, the sources said.

The ministry will seek participation by the bank of Japan into the fund to give public nature to the jusen scheme, the sources said.

Commercial banks have resisted pressure from the government to make further contributions for the liquidation of the failed mortgage-loan firms, expressing concern that the acceptance may prompt shareholders to file lawsuits against executives for causing losses to the banks.

The Finance Ministry hopes that the package will eliminate a major hurdle preventing the banks from accepting additional contributions, the sources said.

Under a government scheme, the banks, which are founders of the housing-loan firms, will give up 3.5 trillion yen worth of outstanding claims on the jusen companies.

The sources said the package was shown to the banks by the ministry Wednesday.

Japan: Farm Financiers Wary About Planned New 'Jusen' Fund

OW1206162796 Tokyo KYODO in English
1517 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Top officials at agricultural financial institutions agreed Wednesday [12 June] that it is not yet time to discuss their role in contributing to a second fund planned for the liquidation of the seven failed "jusen" mortgage firms, industry sources said.

Under the plan drawn up by the Finance Ministry, an investment fund of up to 700 billion yen will be set up so that its yields can be used to pay back taxpayers' money totaling 685 billion yen in the liquidation plan.

The farm officials agreed, however, that they cannot shoulder additional burdens "unless details are worked out on how the founding banks of the jusen firms will shoulder the greatest burden" for the new fund, the sources said.

The officials also agreed that they will seek to be paid back interest rates on loans to the mortgage firms that have not been paid since January.

There are proposals that the farm banks should forgive interest rate payments as a way of shouldering additional burdens.

However, the officials reconfirmed the need for the payments to be made, taking note of the fact that the mortgage firms have yet to notify the farm banks of halting payments.

Japan: Investigators Set To Raid 2 'Jusen' Firms 'Next Week'

OW1206163296 Tokyo KYODO in English
1512 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Law-enforcement authorities are set to raid two of seven moribund "jusen" mortgage firms, possibly next week, over their alleged wrongdoing such as illegal loans, investigative sources said Wednesday [12 June].

Jyuso Inc. and Japan Housing Loan Inc. will be the first jusen to be raided by police and prosecutors investigating shady financial deals involving the mortgage companies.

Japan housing loan is suspected of having extended billions of yen in loans to a Tokyo-based realtor despite knowing they could not be collected, the sources said.

The investigation into Jyuso is linked to a complaint filed against company executives over loans to an affiliate for the purchase of shares held by employees to prevent them from filing suits against the company in violation of the commercial code, the sources said.

Law-enforcement authorities have already raided two major jusen debtors, Sueno Kosan and Togensha, but no jusen themselves have been raided so far.

Japan: Coalition Reaffirms Raising Consumption Tax

OW1306102896 Tokyo KYODO in English
0937 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Policy-makers of the tripartite ruling coalition reaffirmed Thursday [13 June] their policy of raising the consumption tax rate to 5 percent from the current 3 percent on April 1, 1997, coalition officials said.

The reaffirmation by the three parties — Prime Minister Ryutaro Hashimoto's Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake — came prior to a review of the scale of the tax hike set for late September.

It appears aimed at alleviating the possible negative impact of the tax hike at the next general election by publicizing it well in advance.

The next general election is not required until mid-1997, although Hashimoto has the authority to call a snap poll for the powerful House of Representatives at any time.

Japan: Think Tank Urges Spending Cuts To Finance Welfare Plans

*OW1106115796 Tokyo KYODO in English
0957 GMT 11 Jun 96*

[FBIS Transcribed Text] Tokyo, June 11 KYODO — A private think tank worked out a report Tuesday [11 June], urging the government to finance welfare programs with funds saved by administrative reform and spending cuts.

The government should gradually increase spending cuts from 1997 so as to realize savings of 30 trillion yen by 2007, said a study group of PHP Institute Inc. said in its report.

The private think tank was set up by Konosuke Matsushita, the late founder of Matsushita Electric Industrial Co.

The outstanding balance of savings through spending cuts will reach 467 trillion yen in fiscal 2020, the report said, adding the management of the money through financial investment will yield enough funds to finance public welfare programs without tax hikes.

A tax cut of more than 30 trillion yen will also be possible, the report said.

Studying ways to convert Japan into a tax-free state, the group of scholars said the ratio of taxes and social welfare costs borne by the public is expected to rise from the current 37.2 percent of national income to 55.4 percent in fiscal 2020 if no administrative reform is carried out.

While spending cuts by the government are indispensable given the critical state of national coffers and the rapid aging of Japan's population, administrative reform will hold the ratio to 49.8 percent, the report said.

Among specific ways to reduce spending, the report urged the rationalization of administration and a steep workforce cut in the public sector by reorganizing the nation's 47 prefectures into 12 states and 257 prefectures.

The report also recommended that state-run universities and hospitals should be privatized together with postal services, in addition to discontinuation of subsidies to private universities and of expenditures aimed at promoting industrial development and maintaining prices at certain levels.

Seiichiro Saito, a Rikkyo (St. Paul's) University professor who heads the study group, said Japan should review its whole system on a "zero" basis.

Japan: Keidanren Urges Companies To Shun Dealing With Racketeers

*OW1006115196 Tokyo KYODO in English
1030 GMT 10 Jun 96*

[FBIS Transcribed Text] Tokyo, June 10 KYODO — The Federation of Economic Organizations (Keidanren) has called on its member corporations to restrain from dealing with "sokaiya" racketeers, the Keidanren head said Monday [10 June].

The call was made in the wake of Sunday's police raid of major department store operator Takashimaya Co. for an alleged payoff plot for two "sokaiya" racketeers.

Shoichiro Toyoda, chairman of the influential business organization, said at a regular press conference, "In order to prevent similar incidents, I suggested all Keidanren members thoroughly examine their behavior in the light of the 'Keidanren Charter' for corporate activities."

The charter, adopted in 1991, consists of seven principles concerning the social activities of about 1,000 members of the federation. One of the principles warns against dealing with any organization "which would adversely affect social order and security."

Toyoda did not make comment on the position of Hiroshi Hidaka, president of Takashimaya, who is a councillor of Keidanren.

Over the weekend, police raided Takashimaya over an allegation that its officials conspired to deliver 80 million yen in cash to two racketeers to prevent them from interfering in the department store's shareholders meeting.

Three present and former officials of Takashimaya were arrested on suspicion of giving money to the two racketeers in violation of the commercial code. Police also arrested the racketeers.

Japan: KDD, French Firm Form IC Card Cooperation Accord

*OW1306062696 Tokyo KYODO in English
0442 GMT 13 Jun 96*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — Japan's largest international telecommunications company KDD said Thursday [13 June] it has agreed with Gemplus Co. of France to cooperate in the integrated circuit (IC) card business.

It said the tie-up agreement covers joint marketing and sales activities in Asia, exchange of personnel such as employee leases between the two companies, and distribution contracts.

The agreement was reached with an eye on the expanding applications of IC cards, KDD said.

Given their wider memory capacities than those of magnetic strip cards, IC cards are being used increasingly in the telecommunication field, such as identification cards for portable telephone terminals and telephone cards used in public phones.

The application uses are expected to become wider in the future, KDD said, adding that one example is for security systems for the internet global computer communication network.

KDD has already introduced ic cards as prepaid cards for its international telephone services, while the french company holds one of the world's top-ranking share in the IC-card producing field with manufacturing and sales bases around the world.

The linkup is to share know-how on the IC-card business between the two companies, it said.

KDD said actual cooperation in the business field will be done through Gemplus Japan Co., the French company's Japanese unit, and KDD's subsidiary Osi Plus Co. based in Tokyo.

Japan: Institute Urges Information Industry Consolidation

OW1006074096 Tokyo KYODO in English
0658 GMT 10 Jun 96

[FBIS Transcribed Text] Tokyo, June 10 KYODO — A government-affiliated institute called Monday [10 June] for the swift consolidation of the information infrastructure in Japan to promote structural changes of the domestic industry.

The appeal was made in a report for 1996 released Monday by the Japan Information Processing Development Center, an affiliate of the Ministry of International Trade and Industry (MITI).

The report said Japan lags far behind the United States in efforts to build an electronic network for information processing and communication.

In Japan, declining corporate earnings caused a vicious cycle of curbs on investment for improving the information infrastructure, it said.

The report said Japan now faces the need for a comprehensive restructuring of industry and the key to its

success is the consolidation of a sophisticated information network.

Progress in this field will create new business opportunities and promote structural changes of industry and corporate management, it said.

The report called for deregulation to create the environment favorable for the promotion of such efforts.

Japan: Report Urges Rules for New Telecom Era

OW1106061896 Tokyo NHK General Television
Network in Japanese 0300 GMT 7 Jun 96

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] — A Posts and Telecommunications Ministry advisory body has compiled a report saying that the spread of Internet and satellite broadcasting may necessitate the review of the current system, which draws a line between broadcasting and communications, on a medium- and long-term basis. It took almost two years for the committee to compile this report, which was submitted to Posts Minister Ichiro Hino today.

The report analyzes that the spread of new systems, such as Internet and broadcasting via satellites, and the progress in digitalization of data for optic fiber networks make a dividing line between broadcasting and communications obscure. It notes the need to actively promote the fusion of broadcasting and communications in the future, saying that it may become necessary to drastically review the current system, which draws a line between broadcasting and communications, on a mid- and long-term basis. The report then proposes that new rules should be worked out urgently to protect intellectual property rights on video software and data and privacy, because everybody will be able to freely exchange data with others in the future.

Japan: NTT Seeks Fewer Rules on Communication Network Access

OW1206132696 Tokyo KYODO in English
1235 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — Nippon Telegraph and Telephone Corp. (NTT) asked a government panel Wednesday [12 June] to reduce legal regulations on access to its nationwide communication network by rival carriers, government officials said.

The officials said the request was made by Shigeo Sawada, NTT vice president, at a meeting of the Telecommunications Council.

Sawada was quoted as telling the session regulations on the access issue should be reduced to a minimal and

access fees should be set by a third-party organization to boost the transparency of the process.

A Tokyo-based communications company which plans to start a telephone service using a cable television network complained of high access fees charged by NTT and demanded that a new system for calculating the fees be set up, the officials said.

They said the council decided to set up subgroups to continue discussions on pending issues, including the access fees accounting system.

Japan: FY95 Farm Output Falls to 15-Year Low

OW1106133896 Tokyo KYODO in English
1223 GMT 11 Jun 96

[FBIS Transcribed Text] Tokyo, June 11 KYODO — Japan's agricultural production in fiscal 1995 plunged to a 15-year low due largely to a decrease in rice output and lower vegetable and citrus prices, the farm ministry said Tuesday [11 June].

The Ministry of Agriculture, Forestry and Fisheries said the nominal value of output was estimated at 11.9 trillion yen, down about 7.0 percent from the preceding year.

The ministry forecast a decrease of less than 3.0 percent in the current fiscal year, citing a decrease in rice acreage.

Japan's agricultural production became stagnant in the late 1970s and made a downturn after hitting a peak of 13.4 trillion yen in 1985, the ministry said.

On the international demand-supply situation for grain, the ministry said prices of wheat and corn are buoyant due to shrinking inventories.

The ministry, however, expressed optimism, predicting a price recovery after summer due to production rises in the former Soviet Union and Europe.

Japan: MITI Temporarily Holds Advanced Reactor Construction Plans

OW1106015296 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 7 June Morning Edition p 1

[FBIS Translated Text] The Ministry of International Trade and Industry [MITI] has decided to start reviewing its nuclear development program and temporarily freeze its plans for the construction of an advanced fast-breeder reactor, originally scheduled to follow the construction of the "Monju" fast-breeder reactor, as well as the "Plutermal Program," which aims at fueling a thermal neutron reactor with plutonium. Since there have been strong criticisms against the nuclear development program following the Monju accident, MITI has de-

cided "It would be difficult to pursue the program without the understanding of the general public," (as stated by the top MITI official). According to MITI's plan for freezing the construction plans, it seems inevitable that discussions will be extended to cover such issues as reviewing the long-term nuclear program and the plutonium-supply program.

On 14 June, the nuclear energy panel under the Advisory Committee for Energy [ACE], an advisory council to the MITI minister, is scheduled to hold its first session. The panel plans to spend from six months to one year conducting a full-scale review of the schedule for developing fast-breeder reactors and the timing for starting the Plutermal Program.

According to the existing long-term nuclear development program worked out by the Atomic Energy Commission (headed by Hidenao Nakagawa, Science and Technology Agency director general) in 1994, the electric power industry is scheduled to start construction of more advanced fast-breeder reactors by early in the 21st century. According to the Plutermal Program, a mixed oxide (MOX) fuel, composed of plutonium and uranium, is to be developed for use as a fuel by several nuclear power stations (with light-water reactors) by the late 1990's.

However, local governments such as the Fukui Prefectural Government, where nuclear power stations are located, are developing stronger distrust and opposition to nuclear development because of the Monju accident. In this regard, it seems likely that the Monju reactor will not begin operating again until after FY98.

In reality, preparations for introducing plutermal fuel have been suspended, and so has the selection of sites for constructing advanced fast-breeder reactors. It has been decided that "the line of plutonium utilization will be maintained," but that "the program will have to be reviewed with the possibility of postponing the project," (as stated by a senior Agency of Natural Resources and Energy official).

The ACE panel on nuclear energy intends to review the nuclear development policy so as to win the understanding of the general public. Results of the panel's review will be reflected in the review of the long-term nuclear energy development program.

Plutonium can also be used for developing nuclear weapons. However, Japan has made a commitment not to store more plutonium in Japan than is necessary. The MITI's policy may possibly result in accumulating surplus plutonium at home. In this regard, there is also a possibility that deliberations will be conducted not only

from the energy policy standpoint, but also from the nuclear nonproliferation policy standpoint.

Japan: Bill To Control Tuna Imports Expected To Become Law

OW1206104396 Tokyo KYODO in English
0937 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — A bill to regulate tuna imports from nations which defy international rules on catches will likely be enacted during the current session of the diet, political sources reported Wednesday [12 June].

The sources said the proposed legislation, prepared by the ruling coalition, has won support from the major opposition party Shinshinto (New Frontier Party) and the Japan Communist Party.

They said the bill will be introduced at a meeting of the Committee on Agriculture, Forestry and Fisheries in the House of Representatives on Friday.

The bill stipulates that Japan will follow World Trade Organization rules in implementing regulatory measures, they said.

Under the proposed legislation, nations that violate catch quotas set by an international committee for the preservation of tuna resources in the atlantic ocean will be urged to observe the regulations.

If the appeal goes unheeded for a certain period, Japan will impose restrictions on tuna imports from the violating country, the legislation said.

The bill also urges the government to work together with other nations to set up an international organ to control tuna resources worldwide, they said.

The fisheries agency said Japan is the world's top tuna catching and consuming nation, with annual hauls totaling about 350,000 tons, about 20 percent of the world total, and consumption topping 600,000 tons.

Japan: Hatoyama Interviewed on New Party Formation

OW1206121596 Tokyo MAINICHI SHIMBUN
in Japanese 6 Jun 96 Morning Edition p 2

[By Masao Yora and Shigeru Sakurai]

[FBIS Translated Text] Sakigake Secretary General Yukio Hatoyama granted an interview to MAINICHI SHIMBUN on 5 June. With regard to the idea of forming a "new party led by Hatoyama," he said that "from summer to autumn, it is necessary to deepen discussions by putting together people no matter what party they belong to," thus indicating his intention to

vigorously promote the idea of forming a new party after the end of the current Diet and before general elections. Moreover, he indicated his basic stand to base the politics on the will of the citizens and people and stressed "we need to confirm whether this basic position can be realized in the ruling parties; otherwise, it is a matter of course that we will have to become an opposition party." He thus showed a stand of turning to an opposition camp. Furthermore, as a form for the new party, he disclosed that he is studying introducing a "plural party heads system" by which a new party will have several party representatives.

[MAINICHI] Your partner Hajime Funada, member of the New Frontier party (NFP) and former director general of the Economic Planning Agency, said, "I cannot join a party that will have the participation of such leaders as Social Democratic Party (SDP) Chairman Murayama" and "there is a gap in security policies." This gives the impression that his remarks have put the brakes on forming a new party. What is your view?

[Hatoyama] In the NFP, Mr. Funada is in a very tough position. I assume that he made such remarks to attract more NFP members' understanding of the plan by showing his own initiative. However, his remark on security has made me concerned that he may have a more "right wing" position than NFP President Ichiro Ozawa. I need to have more discussions with Mr. Funada over the issue, but I do not think we will come to the conclusion that it is impossible for us to build a new stage just because of fundamental differences [between us in views on security].

[MAINICHI] Judging from Mr. Funada's remarks and other things, we cannot see a concrete scenario for creating a new party.

[Hatoyama] If I compare the plan to an immature infant, it sprung out to the outside (mass media) with the weight of an unborn baby in a woman three months pregnant. Given this situation, the plan has not reached a stage wherein even Mr. Funada and I have thorough policy coordination. Meanwhile, we were lionized as advocates of a new party. However, a new party has to appear in public before general elections and ask for the people's judgment. However, during the Diet, it is not desirable for any ruling coalition member to take action that gives a serious blow to the coalition. From summer to autumn, it is necessary to vigorously deepen discussions on how to make the idea realized by putting together NFP and Sakigake members who support the idea no matter what party they belong to.

[MAINICHI] Does your hope to "launch a new party a few months before the dissolution of the Diet" remain unchanged?

[Hatoyama] It is the most desirable way. However, when it comes to having a new party inaugurated, it should be done without affecting the regime. In that case, there is a possibility of bringing about the Diet's dissolution as a result of the formation of a new party. When we consider the possibility of our action triggering off the dissolution, we need to carefully get the timing right.

[MAINICHI] How do you set the relationship between a new party and the Hashimoto administration?

[Hatoyama] It is meaningless to create a new trend that cannot have any impact on the regime. However, it is not necessary to decide from the beginning whether a new party should join the ruling parties or become an opposition party. Nevertheless, the idea that "a new party has to remain in power" has also weakened Sakigake's move. We want to carry on politics centered on the citizens and people of the nation. When we set up a new party with our unyielding basic position, we need to confirm whether this basic position can be realized in the ruling parties; otherwise, it is a matter of course that we will have to become an opposition party.

[MAINICHI] What type of new party do you want to create?

[Hatoyama] It is an old and conventional practice to form a political party with members under one head. I think it is desirable for us to have several party heads like the representative committee system and advance their own policies and ideas through the democratic process or set up a party like a network in which each member plays a role.

[MAINICHI] Is the formation of a new party as a result of fusion of the SDP and Sakigake no longer possible?

[Hatoyama] It is apparent that the people will take the method of forming a new party through party-to-party discussions between representatives from each party as part of preelection measures. All people who are interested in forming a new party have to leave Sakigake and the SDP or the NFP, and their decision will lead to creating a new trend. It is highly possible that Sakigake will be disbanded or remain.

[MAINICHI] In terms of methodology, you seem to be different from Sakigake head Takemura. Are you getting along well with Mr. Takemura?

[Hatoyama] I have conveyed my position. Mr. Takemura told me that it is OK for me to pursue my ideas. Although he considers it possible that all SDP Diet

members would join a new party, I do not think the situation will develop into that.

[MAINICHI] There is a critical view that the move toward forming a new party lacks discussion over policies, particularly security affairs. How do you respond to this view?

[Hatoyama] What I have been saying is an aspiration prerequisite to forming a new trend. So, it is no wonder that there is no discussion on policies.

[MAINICHI] You also need funds, do you not?

[Hatoyama] Everybody says I am a wealthy man. However, if one has an idea to dip into his own money to form a political party, it would be impossible to create it with such a way of thinking. I have not yet raised any funds. I would like to seek our supporters' understanding by adopting an open information system in which we can seek supporters by showing our will.

[MAINICHI] Former Prime Minister Yasuhiro Nakasone said forming a new party is just "like soft ice cream." He must have made such a remark with your position in mind, including that aspect of fund raising. How do you view his opinion?

[Hatoyama] What I am saying is not a superficial optimistic idea. Thus far, old politicians have talked like men of virtue, but they finally fawned on the people. Mr. Nakasone tried to introduce the sales tax after elections despite the fact he had said "do you think my face is a face that would lie?" Now, politicians must have a resolution with which they can propose to the people matters for discussion even if those matters are tough on the people.

Japan: Discord Noted Among Leading Shinshinto Party Members

OW1206133196 Tokyo SANKEI SHIMBUN in Japanese 11 Jun 96 Morning Edition p 2

[By Masayuki Takahashi in London]

[FBIS Translated Text] Troubles are expected within Shinshinto [New Frontier Party] now. For example, while Mr. Shokei Arai is bound to leave the party, the "Koshi-kai," a group that assumes a critical attitude toward the executive department (and that is headed by former Prime Ministers Tsutomu Hata and Morihiro Hosokawa), is demanding the party reform. Under such circumstances and with the Diet session scheduled to end on 19 June, Party Head Ichiro Ozawa must be visiting London in a complicated state of mind.

The Executive Department Doing Its Best To Secure Harmony

"We have no intention to remain an opposition party forever."

At the inaugural meeting of the party mission to visit Europe held on 8 June, Mr. Ozawa reiterated his intention to win the political power. Leading party members stated that Mr. Ozawa "seems to have changed a lot" recently.

Because of the low supporting rate, the party's executives have come to share an intensified sense of crisis about the prospects for the next general election, and are doing their best to secure "intraparty harmony." For example, the party held a session of the supreme consultative conference, which is composed of Messrs. Hata, Hosokawa, and Toshiki Kaifu [also former prime minister]. However, those who are close to Mr. Ozawa observe that "Koshi-kai's objective lies in criticizing the executive department" and that "they will not stop offering criticism even if the executives take different measures."

In connection with Mr. Arai's session from the party, the Liberal Democratic Party [LDP] is trying to create commotion within Shinshinto by saying that "seven Shinshinto members will leave the party." However, the executive department believes that no other party members will leave the party by following Mr. Arai's example. Nevertheless, it will be difficult to promote coordination on various issues. For example, the party has to deal with Ms. Sanae Takaichi, who rebelled against the party in the voting for the bills connected with financial issues. Moreover, there is also the issue on whether the no-confidence motion should be brought up against the cabinet.

The Complicated Hata-Hosokawa Camp

"It is nonsensical to remain in the party with the precondition of leaving the party." "If we should fail to build Shinshinto as a party that will truly meet the people's expectations, there is a great possibility that new political actions will be taken."

In connection with the intraparty reform, Mr. Hata has indicated both a hardline and a softline stance. It is true that "there is a delicate difference" (as stated by a senior party member) between Mr. Hata's and Mr. Hosokawa's positions in confronting the party's executive department. While Mr. Hata has indicated a certain understanding of Mr. Ozawa's measures to secure intraparty harmony, Mr. Hosokawa has reportedly indicated his skeptical position. Mr. Hata intends to maintain the intraparty unity until the next general election, it is be-

lieved that Mr. Hosokawa intends to give priority to the party reform. Further, there is a possibility that the difference in the views between the two leaders will surface during the current Diet session.

Mr. Hajime Funada has been criticizing the executive department and at the same time has been seeking the possibility of forming a new party together with Yukio Hatoyama, secretary general of New Party Sakigake. However, Mr. Funada is now inclined to act as a Koshi-kai member.

It has been pointed out that there is a possibility that Mr. Arai, who has left the party earlier, may rejoin LDP. But it remains unknown whether his move may have any connections with the moves of either Mr. Hata or Mr. Funada.

In the meanwhile, the group belonging to the former Komeito maintains that in preparations for the next general election, "there should be no changes in the decision on engaging in the election campaigning as Shinshinto members," (as stated by a former Komeito leading member). However, some Shinshinto party members have voiced their views to the following effect: "After the general election, Soka Gakkai [an independent lay organization of the Buddhist sect, Nichiren Shoshu; former Komeito is the political wing of this organization] may shift its policy of supporting Shinshinto alone to that of supporting various different parties in each individual single-seat constituency," (as stated by a Shinshinto source).

Japan: Government Panel To Study Reform of Bureaucratic System

OW1206163096 Tokyo KYODO in English
1504 GMT 12 Jun 96

[FBIS Transcribed Text] Tokyo, June 12 KYODO — The government decided Wednesday [12 June] to set up a panel to study measures for a sweeping overhaul of the national public service system, long criticized for its red tape and other inefficiencies, government officials said.

The new panel is likely to be set up as a consultative council for the prime minister or the head of the management and coordination agency as early as next spring, the officials said.

The government will request appropriations for the panel under its fiscal 1997 budget, they said.

The bureaucratic system has been criticized for its sectionalism and rigidity stemming largely from being based on seniority rather than on merit, with senior officials finding lucrative jobs in businesses after retirement.

The council is expected to discuss the introduction of a formula to employ government officials altogether and then assign them to ministries and agencies, unlike the current system of each government department employing them, as well as to debate the seniority-based system, the officials said.

Measures to deal with the aging society, including the extension of the current retirement age of 60, are also likely to be discussed by the panel, they said.

Prime Minister Ryutaro Hashimoto will shortly announce his administrative reform vision, with which he will show his own overhaul plan for the bureaucratic system, his aides said.

"If Prime Minister Hashimoto urges early action to realize his vision, the panel could be inaugurated within this year," a senior official of the management and coordination agency said.

Japan: MOF Expected To Study Coalition Reform Plan

*OW1306110896 Tokyo KYODO in English
1043 GMT 13 Jun 96*

[FBIS Transcribed Text] Tokyo, June 13 KYODO — The Ministry of Finance [MOF] will examine and carry out what is requested in a report produced Thursday [13 June] by the ruling coalition on reform of the ministry, a senior ministry official said the same day.

"We have been involved in financial administration for many years and must consider responding to the report based on that experience and reflection (on mistakes in the past)," Vice Finance Minister Tadashi Ogawa said at a news conference.

A coalition task force on Finance Ministry reform released a report calling for setting up a stricter system for inspection and supervision of financial institutions and other measures.

On revision of the Bank of Japan Law, a major point urged in the coalition report, Ogawa said, "We must fully digest what is written in the report and work in the direction recommended."

Ogawa, however, reiterated his opposition to separation of the fiscal and financial functions of the ministry, saying it is important to keep them under the roof of one finance minister.

Meanwhile, Ogawa said the ministry is "not in a position yet" to draw up a concrete plan — which involves possible Bank of Japan support — for extra commitments by the financial sector for the liquidation of failed "jusen" mortgage lenders.

The ministry is expected to urge jusen founders and other financiers to set up an investment fund to generate money to reduce the 685 billion yen burden on taxpayers proposed in the current government scheme for jusen liquidation.

North Korea

DPRK: Kim Chong-il Visits KPA Naval Unit

*SK1206225596 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 12 Jun 96*

[FBIS Translated Text] On the occasion of Navy Day, Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], visited No. 853 Unit of the KPA Navy and congratulated the sailors.

On 11 June, Comrade Kim Chong-il, chairman of the DPRK National Defense Committee and KPA supreme commander, who is the great leader [widaehan yongdoja] of our party and people, visited No. 853 Unit of the KPA Navy and congratulated the sailors on Navy Day.

On his visit to congratulate the sailors, he was accompanied by Comrades Kye Ung-tae, Kim Ki-nam, and Kim Yong-sun, secretaries of the Central Committee of the Workers Party of Korea.

Comrades Hyon Chol-hae, Kim Myong-kuk, and Kim Ha-kyu, generals of the KPA, and Comrade Pak Chae-kyong, a colonel general, also accompanied him.

Militant slogans that show the soldiers' resolution of loyalty, such as "Hurrah the respected and beloved supreme commander Comrade Kim Chong-il!" "We serve for the respected and beloved supreme commander Comrade Kim Chong-il!" and "Let us defend with our lives the nerve center of the revolution headed by the Great Comrade Kim Chong-il [widaehan kimjongil tongji]" were put up in the unit which was overflowing with a festive mood.

The soldiers who lined up to greet the respected and beloved comrade supreme commander looked back with deep emotion over the past victorious and glorious road traversed by the naval forces under the wise leadership of the party and the leader [suryong]. They were unable to speak, too full with the pride of being guard soldiers who defending the security of the fatherland and the people with the force of arms.

At 9 AM [0000 GMT], the supreme commander Comrade Kim Chong-il arrived at the unit. At that moment, a storm of cheers burst forth from warships and the wharf, rocking the naval port.

Comrade Kim Chong-il was greeted on the spot by Comrade Kim Il-chol, a KPA general; Comrade Sim Sang-tae, a vice admiral; and other commanding officers of the unit.

Comrade Kim Chong-il waved to the cheering sailors and warmly congratulated those who were observing Navy Day. After receiving a salute from the unit's commander, Comrade Kim Chong-il looked around the military facilities and technical equipment in the unit.

Comrade Kim Chong-il expressed deep satisfaction over the fact that the unit's soldiers had done a lot of work to thoroughly implement the behests of the great leader Comrade Kim Il-song on strengthening the Navy, and invented and installed new technical equipment with their own efforts by highly displaying the revolutionary spirit of self-reliance. He then highly appreciated their successful efforts.

Comrade Kim Chong-il said that strengthening the Navy is especially important for our country, which is surrounded by the seas on three sides, and set forth programmatic tasks that would serve as guidelines in further strengthening our revolutionary naval forces.

Together with the soldiers of the unit, who were joyfully spending Navy Day, Comrade Kim Chong-il saw a performance of the merited choir of the KPA Song and Dance Ensemble, which had received the Kim Il-song Order.

Saying that spending the time with the optimistic, courageous, valiant, and militant soldiers is his happiest moment, Comrade Kim Chong-il spent a long pleasant time with them.

Comrade Kim Chong-il showed great loving care and favors for them, saying that nothing should be spared for the sailors who guard the seas despite high waves.

Overwhelmed with their gratitude for the respected and beloved supreme commander Comrade Kim Chong-il, who gave parental love by visiting a faraway sea, who congratulated the sailors who were greeting Navy Day, and who spent the entire day with them, all the soldiers of the unit were overflowing with a burning resolve to resolutely defend the seas of the fatherland by being firmly prepared as one-is-a-match-for-100 sailors.

DPRK: Further on Kim Chong-il Visit to Naval Unit

*SK1206224696 Pyongyang KCNA in English
2100 GMT 12 Jun 96*

[“Comrade Kim Chong-il Visits KPA Naval Unit” — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the DPRK National Defence Commission and supreme commander of the Korean People's Army [KPA], on June 11 visited Unit 853 of the KPA Navy and congratulated the sailors on the day of the Navy.

He was accompanied by secretaries of the Workers' Party of Korea Central Committee Kye Ung-tae, Kim Ki-nam and Kim Yong-sun and KPA Generals Hyon Chol-hae, Kim Myong-kuk and Kim Ha-kyu and Col. General Pak Chae-kyong.

At nine A.M. [0000 GMT] Comrade Kim Chong-il arrived at the unit.

That moment, a storm of cheers burst forth from warships and the wharf, rocking the naval port.

He was met at the unit by KPA Admiral Kim Il-chol, Vice Admiral Sim Sang-tae and the unit's commanding officers.

He waved to the cheering sailors and warmly congratulated them on the day of the Navy.

After receiving a salute from the unit's commander, he inspected the military facilities and technical equipment of the unit.

He noted with deep satisfaction that the unit's soldiers had done a lot of things to carry out the great leader President Kim Il-song's instructions on strengthening the Navy and invented and installed new technical equipment with their own efforts in the revolutionary spirit of self-reliance. He then highly appreciated their successful efforts.

He said that strengthening the Navy is of particular importance in Korea, which is bounded on the three sides by the seas. He proposed important tasks that would serve as a guideline in further strengthening the revolutionary navy.

Together with the unit's soldiers, he saw a performance of the merited choir of the KPA Song and Dance Ensemble, the recipient of the “Order of Kim Il-song,” on the occasion of the holiday.

He spent a long pleasant time with them, saying that he felt very happy when he was among the optimistic, courageous, valiant and militant sailors.

Nothing should be spared for the sailors, who guard the seas despite high waves, he said, and showed great loving care and favours for them.

DPRK: KCNA Denounces 'Provocative Air War Games' by ROK

*SK1306034096 Pyongyang KCNA in English
0335 GMT 13 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — The U.S. imperialists on Monday [10 June] staged one more provocative air war games in the skies above Tokjok and Paeka Islets in the West Sea [Yellow Sea] of Korea, according to military sources.

Taking part in the exercise aimed at scorched earth operation against the northern half of Korea were scores of overseas-based fighter planes of the U.S. Pacific Fleet and about 120 fighters of the U.S. Seventh Air Force present in South Korea.

Meanwhile, the South Korean puppets on Monday and Tuesday deployed heavy tank and 105-mm and 155-mm artillery groups in the western and central sectors of the front. And they fired over 360 shells and more than 2,950 machine-gun and rifle bullets.

These continued war exercises show that it is impossible not only to ensure lasting peace and security but also to prevent an accidental event in the Korean peninsula unless a durable peace-keeping system is established at an early date.

DPRK: 'U.S. Hawks' Using 'Emergency' as Pretext 'To Stifle' DPRK

*SK1306090796 Pyongyang KCNA in English
0855 GMT 13 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — NODONG SINMUN today carries a by-lined article under the headline "Doctrine of 'Emergency' on Korean Peninsula" Implies Aggression".

Noting the U.S. hawks, despite the end of the cold war, are continuing to seek to stifle Korea by dint of strength with the doctrine of "emergency" on the Korean peninsula as a pretext, the author of the article says:

The doctrine is, in essence, the one for aggression on Korea.

It is a reactionary plan and policy of the U.S. hardline conservative forces to completely wipe off socialism on the globe and extend the sphere of U.S.-led domination over Asia.

To this end, they have set it as an immediate goal to bring the Korean peninsula under their domination.

They guess that only when they overpower the DPRK, can they pull down the bulwark of socialism, make a "turning-point phase" in completely eradicating socialism and easily realize the aggression on and domination over Asia with the Korean peninsula as a springboard.

Their outcries for "prevention of crisis" and "deterrent of disputes" in the Korean peninsula are intended to cover and justify their move for aggression on Korea.

Another aim is to maintain and beef up the U.S. forces in and around South Korea and Japan.

The U.S. hardline conservative forces are scheming to keep the U.S. forces in South Korea and Japan on the plea of "quick reaction" to the "event of emergency" on the Korean peninsula.

The doctrine is also designed to maintain and invigorate the reactionary "U.S.-South Korea Mutual Defence Treaty" and "U.S.-Japan Security Pact" for an indefinite period and push ahead with the aggressive U.S.-Japan-South Korea triangular military alliance.

The advertisement of U.S. hawks and Japanese reactionaries that a "crisis" would be caused by the DPRK on the Korean peninsula is a ridiculous and brigandish doctrine reversing black and white.

The culprits that screw up the military situation and encourage armed conflict on the Korean peninsula are none other than the U.S. hawks, and their accomplices are the South Korean puppets and Japanese reactionaries.

It is the U.S. hawks and Japanese reactionaries who want the occurrence of armed conflict on the Korean peninsula and who mapped out a war scenario and scheme to ignite a war.

The article warns that the situation of the Korean peninsula is running towards the phase of war with each passing day due to the war manoeuvrings now conducted by the U.S. imperialists and Japanese reactionaries and South Korean puppets on the plea of "coping with emergency" on the Korean peninsula.

DPRK: NODONG SINMUN Analyzes 'Smear Propaganda' Waged by ROK

*SK1306035596 Pyongyang KCNA in English
0344 GMT 13 Jun 96*

["Smear Propaganda Reversing Black and White" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 13 (KCNA) — The Kim Yong-sam group are these days spreading false rumours that the DPRK has aggravated military tensions in the Demilitarized Zone (DMZ) in vio-

lation of the Armistice Agreement since it took a self-defensive measure on the status of the DMZ.

They, in an attempt to justify their false propaganda, are crying that the North is "engaged in provocative movements in an intentional way."

Commenting on this fact, a news analyst of NODONG SINMUN today says:

This is an utterly deceptive propaganda which can convince no one and a malicious fault-finding.

It is none other than the United States and the South Korean puppets who have violated the Armistice Agreement and coiled up tensions on the Korean peninsula.

The South Korean puppets have systematically violated the Armistice Agreement and paralyzed the armistice supervisory tool out of a criminal intention to make the Armistice Agreement a mere scrap of paper and gratify their design for "unification through northward invasion".

The Korean Armistice Agreement has become a mere scrap of paper which cannot contribute to the preservation of peace on the Korean peninsula.

It goes without saying that the South Korean puppets have no intention to observe the Armistice Agreement because they doggedly opposed its signing from the outset.

The Kim Yong-sam group are finding a way out of their catastrophic crisis in provoking a war against the North; they have resorted to dangerous military adventures to find a pretext for provoking war with their finger ready to push the button of war against the North.

The recent self-defensive measure of ours is a very just one to prevent the danger of war caused by hostile acts of the puppets and defend peace and security of the nation.

The puppets are making desperate efforts to brand the DPRK as "violation of the Armistice Agreement" and "the very one who aggravated tensions". The reason is that they seek a deliberate and foolish design to shift their responsibility for having created the touch-and-go situation of the Korean peninsula onto the North and bar other countries from improving relations with the DPRK.

The more maliciously the puppets slander the DPRK, telling a sheer lie, the bitterer the curses and denunciation of them by the world public will become.

DPRK: 'Land of Japan' To Be Threatened if War Breaks Out

*SK1206151396 Pyongyang Korean Central Broadcasting Network in Korean
1220 GMT 12 Jun 96*

[Commentary by Yun Pyong-son: "Do They Intend to Repeat the History of Crime?"]

[FBIS Translated Text] The Japanese reactionaries are engaged in a game of reviewing countermeasures in preparation for a semi-emergency, linking it to the situation on the Korean Peninsula.

According to Japan's YOMIURI SHIMBUN, under the pretext that the DPRK may attack Japan with missiles in case of an emergency on the Korean Peninsula, that battles may expand to Japan to influence Japan's security, and the like, the Japanese Government has issued to the Self-Defense Forces an order for so-called defensive movement and is reportedly going to support the rear of the U.S. Forces and repair U.S. planes and ships to participate in battle.

The sort of emergency on the Korean Peninsula mentioned by the Japanese reactionaries is nothing other than another Korean war. The fact that Japan is considering countermeasures while talking about someone's attack or something else shows that it is hastily attempting to become a military power and legalize overseas military invasions. This arouses great concern and caution from our people and the peace-loving people of the world.

As a loser in the war, Japan is constitutionally not supposed to possess more military forces than necessary or dispatch its troops overseas. However, Japan has systematically increased its military budget, has actively accelerated an arms buildup and preparations to become a military power, and has expanded the overseas dispatch of the Self-Defense Forces by steps under the ruse of participating in U.S. peacekeeping operations.

The Japanese reactionaries are trying to realize the old dream of a Greater East Asia Co-Prosperty Sphere by legalizing their attempt to become a military power and overseas expansion. What they use to this end is the mention of an emergency on the Korean Peninsula. Saying that the DPRK may attack Japan, the Japanese reactionaries are inciting among the Japanese people confrontation with the DPRK and war fever. However, it is the Japanese militarists who are actually attempting to make an attack.

Japan has revised and reinforced the Self-Defense Forces as offensive-type forces and has deployed its basic war potential in the western area of Japan near

our country. In addition, it has already mapped out various operational plans and has openly hinted about its intention to participate in a war on the Korean Peninsula. As a matter of fact, we can say the Japanese reactionaries have finished all preparations and are watching for a chance to invade our country again.

Japan committed an irrevocable crime against our people. Despite this, Japan has neither apologized nor compensated for it despite the passage of over half a century since Japan's defeat in the war. On the contrary, it is conducting an extreme anti-DPRK smear campaign, continuing a policy of enmity against us.

That the Japanese reactionaries are pushing ahead with so-called countermeasures under the pretext of a possible emergency on the Korean Peninsula is an intensive expression of their vicious policy of enmity against our Republic.

During the last Korean war, Japan not only allowed the U.S. imperialists to use the land of Japan as their communications base and supply and staging base, but directly participated in the war. That Japan, which did such a thing, is attempting to participate in the war while giving support to the U.S. Army clearly shows that Japan is attempting to repeat its shameful history of crime.

The Japanese reactionaries, who are accustomed to fulfilling their interests with the support of a major power, are attempting to realize their wild ambition, which they have long pursued, taking advantage of the U.S. imperialists' maneuvers for aggression against Korea.

The so-called countermeasure for a semi-emergency that the Japanese reactionaries are said to be reviewing refers to their participation in a Korean war. If Japan intervenes in a Korean war, then the land of Japan, which is not far from the Korean Peninsula, will never be safe.

If the Japanese reactionaries run wild, recklessly animated with the fever of reinvasion, they will be subjected to severe retaliation. The most urgent thing for Japan to do is not set up countermeasures but instead abandon its policy of enmity against us and sincerely compensate for its shameful past.

The Japanese reactionaries' reckless maneuvers for overseas expansion will only accelerate their self-destruction. If the Japanese reactionaries ignore the demand of the times and follow the road of aggression and war, they will be met with shameful destruction.

The Japanese reactionaries should squarely see that the world is closely watching which way Japan moves, and they should thus act with discretion.

DPRK: Comradeship, Unity With Kim Chong-il Urged

*SK1206061996 Pyongyang Korean Central Broadcasting Network in Korean
1124 GMT 10 Jun 96*

[Special article (nonsol) published in 10 June NODONG SINMUN: "The Korean Revolution Is a Great Revolution That Was Started and Wins Victory With Comradeship"]

[FBIS Translated Text] Today, our people are victoriously advancing the socialist cause with the might of revolutionary comradeship.

The revolutionary comradeship is a traditional revolutionary spirit that has been highly displayed on the road of the Korean revolution, which was filled with trials, as well as on the victorious path overflowing with glory.

It is the firm, unswerving decision and will of the great leader [yongdoja] Comrade Kim Chong-il to carry to accomplishment the chuche revolutionary cause with the might of the revolutionary comradeship which brilliantly embroidered the entire history of our revolution.

The respected and beloved Comrade Kim Chong-il is leading the revolution by assuming the philosophy of comradeship as his maxim and by uniting the entire party, all the people, and the entire army with revolutionary comradeship. Indeed, he is a great comrade and great man.

As we have the respected and beloved Comrade Kim Chong-il, the history of comradeship which has been confidently inherited from the beginning of the revolution is being successfully carried forward and the Korean revolution is winning victory after victory.

1. The Entire Course of Victory and Glory Traversed by the Korean Revolution Under the Leadership of the Great Party and Leader [suryong] Shines With the History of Revolutionary Comradeship

The great leader [yongdoja] Comrade Kim Chong-il has pointed out:

The history of our revolution, which has advanced under the banner of the chuche idea under the leadership of the Great Leader [suryong] Comrade Kim Il-song, is a glorious history in which revolutionary comradeship and noble moral obligations have been recorded, and in

which the road of victory opened with the might of the single-hearted unity of the revolutionary ranks.

The history of the great revolution is to be created by revolutionary comradeship. The revolution is to begin with the struggle of revolutionaries who are united in comradeship, and is to end with the victory of the might of their unity.

The struggle of revolutionaries and people to achieve independence, being one in body and spirit (ilsim tongchega) with the leader (suryong) and having the same ideas and same intentions, is the revolution.

If the party is united, then the people and the army are united based on revolutionary comradeship, which can make the hearts of millions of people beat as one, and they can overcome any storm and trials.

As long as the revolution continues, comradeship should be displayed more highly. Comradeship is required in a bloody decisive battlefield with the enemy, but at the same time, comradeship works as a lifeline for victory in the revolution during the historic period of building socialism.

Building socialism is an arduous class struggle. If the people fail to attain genuine comradely unity, with which they share intentions and destiny, then they cannot smash challenges by the imperialists nor can they successfully carry out the gigantic tasks raised in socialist construction.

The revolution was frustrated in some countries which were building socialism in the past, basically because they failed to have a righteous leader (olbarun yongdoja) and because they lacked genuine comradeship.

Socialism—in which the leader (suryong), the people, and members of society achieved mutual comradely unity and all of society is dyed in one color with comradeship—will achieve victory after victory. However, under a socialism other than this, they cannot defend the antisocialist offensive of the imperialists and will easily collapse, no matter how strong an economic and military power they may have.

What the revolutionaries and people should hold aloft as a permanent signpost on the road of the revolution, a road on which they should advance to the end, enduring rain or snow, is comradeship.

Chuche-based revolutionaries and people in Korea are a proud people who created the history of the noblest revolutionary comradeship unprecedented in the history of the East and West under the leadership of the great party and leader (suryong).

It is our people who fought by assuming as their faith the immortal chuche idea, the great idea of love for human

beings, and it is our people who achieved the most solid single-hearted unity unseen anywhere in the world by highly displaying a comradeship based on unswerving loyalty to the leader (suryong).

Our people won victories in the fierce political and military confrontation with the imperialists by using the might of revolutionary comradeship, and recorded brilliant victories in socialist construction.

Indeed, the Korean revolution is a revolution that began and victoriously advanced with revolutionary comradeship. Our people have become great people with the might of comradeship.

The Korean revolution is a glorious revolution that freshly opened its road with revolutionary comradeship.

The revolution is to begin with the work of uniting comrades. The firmly binding together of revolutionaries, who are loyal to the leader (suryong) and who share intentions and destiny with him, is such a unity. What was pioneered with the might of such unity is called revolution.

Comradeship is the ideological and spiritual source for opening the road of the revolution by holding aloft the leader (suryong).

In the past, our revolution merely repeated its painful failures because it did not have a leader (suryong), and thus failed to achieve unity based on revolutionary comradeship.

The early-stage communist movement in our country was brought to a miserable end because comradely unity was not achieved, and a number of revolutionaries were unable to achieve their aims even by shedding blood in wild, extensive fields, finally being crushed one by one because they failed to unite themselves with the center of unity based on comradeship.

The respected and beloved leader (suryong) Comrade Kim Il-song was the first great comrade for Korean revolutionaries, who were seeking the road of revolution along which to advance, extending boundless love to them.

If one has comrades with whom he shares destiny, he does not fear any formidable enemy and can gain the universe: this was the maxim of the great leader (suryongnim). He hewed out with this faith the history of the grim Korean revolution fraught with ordeals, taking comradeship as a powerful weapon, and leaving numerous legendary stories.

Engraved in cottages in the far foreign country where our leader left sacred traces were immortal writings such as "You Are Kim Hyok and I Am Song-chu," and an

episode on a small measuring basket of rice powder was recorded on the road of the arduous march from Nanpaizi to the Pukche pavilion.

Thanks to the lofty love of the great leader, which enabled them to traverse the road of loyalty for 10 years, 20 years, and forever, even when they were separated from their families, the original form of genuine comradeship was provided and the origin of revolutionary unity was opened.

Relations between the great leader [suryongnim] and revolutionary soldiers, which were forged during the starting period of the Korean revolution, were the supreme essence of comradely relations which raised human love to the noblest ground, and the crystallization of the clearest and purest comradely love with which love and loyalty were linked as one.

The course of the beginning and of the victorious advance of our revolution was a process of the ceaseless expansion of such comradely relations. Today, our great unity has its roots in the true comradely relations that were established in the opening period of the revolution. This means our revolution was thoroughly pioneered by the noble comradely love of the great leader [suryongnim].

The achievements of the respected and beloved leader Comrade Kim Il-song, who unfolded a new history of comradely love, which cannot be seen in any other place, and who opened the new annals of the chuche revolutionary cause, will remain brilliant forever, together with our ever-victorious revolution.

The Korean revolution is an invincible revolution that has persistently advanced through hardships with revolutionary comradeship.

The struggle to hew out the Korean revolution was waged in difficult circumstances, and the struggle to advance it has been conducted under the most rigorous conditions.

The imperialists and reactionaries of history frantically blocked the road of our revolution. However, our people vigorously advanced our revolution with the might of revolutionary comradeship implanted by the great leader [suryongnim].

Our people united themselves around the party and the leader, holding aloft the banner of revolutionary comradeship whenever ordeals were great and the situation was difficult. During such a grave period as the time when the imperialists' maneuvers were constantly strengthened and factionalists and flunkeyists challenged our party on a full scale, the nerve center of our revolution was firmly defended. One cannot think

of this without the revolutionary comradeship of our people who fought in firm unity by absolutely trusting only the party and the leader [suryong].

Our people embroidered the heroic epic in socialist construction with revolutionary comradeship. For our people, who pioneered the untrodden road of socialism by upholding the banner of the chuche idea, what could be trusted and relied on was the unity around the leader [suryong].

When all the people struggle as revolutionary comrades who share their destiny with the party and the leader, they have nothing to fear and are certainly able to carry out any vast tasks: this was the faith that our people have invariably kept throughout the entire course of socialist construction.

Without the noble outlook of our people, who highly displayed revolutionary comradeship on the road of upholding the leadership of the party and the leader, we cannot talk about the flames of the Chollima great upsurge which fiercely blazed during the difficult postwar rehabilitation period, nor can we think of our country being turned into a wealthy and strong nation, displaying a magnificent appearance as a nation with independence, self-reliance, and self-defense.

Indeed, our chuche socialist fatherland was built with revolutionary comradeship and is prosperous with comradely love. The great victory we have achieved in socialist construction is the victory of comradeship and the victory of single-hearted unity.

The Korean revolution has a bright future in that it is successfully carried forward and accomplished on the basis of the great tradition of revolutionary comradeship. How relations between the leader [suryong] and the people, and between people themselves, are firmly bound as comradely relations will emerge as a more important issue during the period when the revolutionary cause is being inherited and accomplished.

As shown in historic experience, even the revolution, which began with revolutionary comradeship and has victoriously advanced, will be frustrated if it fails to bring its tradition into full bloom, and the people will lose everything that they obtained through bloody struggle.

The struggle to accomplish the revolutionary cause pioneered by the leader [suryong] is the struggle to defend over generations the tradition of revolutionary comradeship that was built by the leader [suryong].

Inheritance of the leadership [yongdoui kyesung] in our revolution is the very inheritance of comradeship.

The great leader [yongdoja] Comrade Kim Chong-il, leading the party and the revolution for a long time now, opened the glorious history of successfully carrying forward the tradition of comradeship that was built by the fatherly leader.

The respected and beloved Comrade Kim Chong-il is the great comrade to our revolutionary soldiers and people. He is the center of single-hearted unity that is to be inherited generation after generation.

Through their long experience, our people have had the steadfast faith to sternly share their destiny with Comrade Kim Chong-il and to closely unite around the respected and beloved general.

The inheritance of the leadership in our revolution has been brilliantly realized thanks to the noble comradely love of the respected and beloved Comrade Kim Chong-il and to the unswerving loyalty of genuine revolutionary soldiers.

Today, our people assume it as a starting point for comradely relations to render our single-hearted loyalty to the respected and beloved general, and there is not even the slightest degree of deviation along this road.

It is our people's firm faith to create a noble example of communist human relations with the most valuable love based on absolute loyalty to the respected and beloved general, and to realize all the plans that the great leader [widaehan suryong] had in his lifetime.

Thus, in our country the relations of comradeship between the leader [yongdoja] and the people, as well as among the people themselves, are more firmly solidified with each passing day, and by this strong might the important historical tasks that come forth in inheriting and completing the revolutionary cause are brilliantly fulfilled.

Our people are the participants in the glorious Korean revolution and have pioneered the ever-victorious road at the head of the times under the banner of the revolutionary comradeship which the great leader Comrade Kim Il-song held aloft. On this forwarding road of struggle, our people have keenly felt that the people's spiritual and moral traits take after the leader's [suryong] traits, and that only the people who uphold the great leader [widaehan suryong] at the head of the revolution can create the most noble history of comradeship and steadfastly advance the revolution.

Our people will forever cherish this faith, this pride deep in their hearts, and will more highly display the revolutionary comradeship on the road to completing the chuche cause.

2. To Add Luster Forever To the Proud History of Our Revolution, Embroidered Resplendently With Revolutionary Comradeship Under the Leadership of the Party and the Leader [suryong], Is the Firm Faith and Will of Our People

The great leader Comrade Kim Chong-il has noted: We must make the revolutionary's firm faith and clean conscience sing the song of comradeship, the standard of true life, and must advance, loudly singing this song and upholding the red flag of socialism.

As long as the revolution continues, the history of revolutionary comradeship should continue. The tradition of comradeship is inherited when we have a great leader [widaehan yongdoja] and loyal revolutionary fighters and people who will uphold the leader [yongdoja].

At the head of our people's sacred struggle to endlessly add luster to the history of revolutionary comradeship today is the great leader [yongdoja] Comrade Kim Chong-il. The respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is the supreme representative and defender of human love and the great leader [yongdoja] who leads the revolution with his warm love for the revolutionary fighters and people.

The respected and beloved general, who inherited the lineage of the Mangyongdae family which regarded having many comrades and friends as the foremost asset and which was born in the Paektu forest where the most sublime epic of revolutionary comradeship was created, unfolded a new world of human love unprecedented in history, and made an immortal achievement in the history of our revolution which advances with the might of unity of comradeship.

Based on his comprehensive analysis and summation of the historical experience of our revolution, which has been victoriously pioneered and advanced with comradeship under the leadership of the great leader [widaehan suryong], the respected and beloved Comrade Kim Chong-il put forth a profound philosophy on completing the chuche revolutionary cause to the end with revolutionary comradeship, and is energetically leading the struggle for its realization.

The philosophy of comradeship of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is the philosophy of absolute trust of firmly trusting the revolutionary comrade at any time and in any environment, of devoting everything for the sake of the comrade; the philosophy of faith and will with which one pushes through with the might of comradeship in the face of manifold trials and with thousands of miles of a sea of fire blocking his way;

and the philosophy of the perfection of humanity that embraces all who are engaged in the revolution in his bosom and raises them as true comrades and true revolutionaries.

Anyone who is firmly armed with this special philosophy prepares himself to be a true chuche-type communist revolutionary who infinitely loves the revolutionary comrades and people, and who has firm resolve and determination to carry out the revolution to the end, with the might of wholehearted unity.

It is our people's consistent resolve to live and struggle forever with the philosophy of comradeship of the respected and beloved general, just like the revolutionary martyrs who gladly laid down their youth and lives and created examples of the most noble comradely relations between the leader [suryong] and the fighters.

We are on the road of the revolution, and the arduous struggle continues. For our people who should tread the long and rugged road of the revolution, it is the foremost glory and happiness to keep up with the great philosophy of comradeship put forth by the respected and beloved General Kim Chong-il.

For our people to struggle with the philosophy of comradeship as their faith is the most sacred work, particularly to add luster forever to the glorious and resplendent revolutionary history and achievements of the great leader Comrade Kim Il-song.

Dwelling in the philosophy of comradeship is the history of comradeship of the respected and beloved leader Comrade Kim Il-song. Reflected in this philosophy is the great man's figure of the great leader Comrade Kim Il-song who is leading an eternal life as the supreme incarnation of revolutionary comradeship.

The great leader [widaehan suryongnim] treasured most the heritage of the revolutionary comradeship bequeathed by his father, and added luster to his life with warm love for the revolutionary comrades and the people. Our people cherish deep in their hearts the legendary memento which was kept in the safe the fatherly leader used habitually during his lifetime, that consisted of photographs of revolutionary fighters.

There has never been a leader like our leader [suryongnim] who had warm love for his comrades and people and who afforded them all the love and trust he could till the last moment of his life.

That we live and struggle with the philosophy of comradeship means we make the comradeship that the respected and beloved leader [kyongaeahanun suryongnim] had, an eternal weapon of faith, and uphold the leader's

[suryongnim] cause with loyalty from generation to generation.

Even though the generation of the revolution has changed, our people never discard the love and trust afforded by the leader [suryong]. Even though the revolution has progressed far, our people never pull down the tradition of comradeship provided by the revolutionary forerunners.

That our people carry on the revolution means they trust their comrades as the great leader [widaehan suryongnim] did, and overcome all difficulties and trials with the warm love for the comrades and the might of the unity of comradeship. Herein, where all the people wage a vigorous struggle with the philosophy of comradeship, is the way to fulfill the duty as the great leader's [widaehan suryongnim] true fighter and disciple and to add luster forever to the leader's [suryongnim] noble history of comradeship.

That our people carry on the struggle with the philosophy of comradeship as their faith is the most glorious work to defend, protect, and uphold the respected and beloved Comrade Kim Chong-il, the center of the unity of our revolution, with a death-defying spirit. To defend and protect the nerve center of the revolution is, essentially, for all the people to share the ideology, will, and destiny with the leader [yongdoja], come rain or shine.

There is no mightier force than the unity of comradeship in the world. When the loyal revolutionary fighters, who fill their hearts with the comradely love of sharing death and life, firmly unite around the leader [yongdoja] and the struggle, then the revolution will always advance victoriously.

The philosophy of comradeship is the great revolutionary philosophy whose fundamental essence is to defend and protect the leader [yongdoja] with a death-defying spirit. Without the leader [yongdoja], there is no comrade or revolution: this is the sublime spirit consistent with the philosophy of comradeship.

Warmly beating in the philosophy of comradeship is the faith of the revolutionary martyrs who did not hesitate to block enemy bullets with their own bodies and who did not change their revolutionary principles, even on the guillotine, to defend the nerve center of the revolution.

That we carry on our struggle today with the philosophy of comradeship as our faith means that we resolutely defend the respected and beloved Comrade Kim Chong-il [kyongaeahanun kimjongil tongji] politically, ideologically, and at the cost of our lives, with the same indomitable revolutionary spirit that the revolutionary martyrs had.

To become true comrades and loyal fighters of the respected and beloved general, living for the respected and beloved general and devoting our lives to the general is the basis of our revolutionary comradeship.

The great Comrade Kim Chong-il [widaehan kimjongil tongji] is the destiny and future of our country and revolution and the protector of all the happiness of our people. As we cannot mention our country and revolution apart from the respected and beloved general, so we cannot think of any comradely love and fidelity of the Korean communists apart from the loyalty to the respected and beloved general.

Our wholehearted unity is necessary to defend and protect the respected and beloved general with a death-defying spirit, and all of our human relations and love are necessary to uphold the respected and beloved general's ideology and leadership.

When our revolutionary fighters join their minds and wisdom, they do so to defend the respected and beloved general's absolute authority and great ideology. When we form comradely relations and love each other, we do that on the road of realizing the respected and beloved general's intent and plans.

To us, the word comrade denotes the noble meaning of a revolutionary warrior of the respected and beloved general. As long as there are millions or tens of millions of loyal comrades who take loyalty to the respected and beloved general [kyongaeahanun changgunnim] as their faith, conscience, morality, and daily life, as well as upholding the general's leadership, then the nerve center of our revolution will always be defended like an impregnable fortress, and the history of our comradely love will eternally go down as the revolutionary history of the respected and beloved general.

For our people to fight, accepting the philosophy of comradely love as their faith, is worthwhile work in resolutely defending and maintaining our own style of socialism and in displaying its superiority and strength. The strength of socialism comes from collectivism, and collectivism is unthinkable apart from comradely love. Revolutionary comradely love is a source that fills all of society with the spirit of genuine unity and cooperation and helps display the superiority of socialism.

A socialist life, in which people live harmoniously while helping and leading each other, can be glorified only by revolutionary, comradely love. In addition, comradely love is a source of popular heroism that creates great miracles and feats in socialist construction.

While carrying out the revolution for a long time, we have wholeheartedly realized that comradely love is a mode of struggle and life that people who are building

socialism must eternally employ. For us to highly display revolutionary, comradely love means creating new miracles and feats with the party and the leader [suryong].

At present, we are building socialism under difficult conditions. The imperialists and reactionaries are desperately maneuvering to isolate and crush our Republic, the bulwark of socialism; unprecedentedly massive tasks lie ahead of us.

We are waging struggles in the spirit of the arduous march. It is time that all people cherish deeper in their hearts the philosophy of comradely love and bring comradely love into full bloom. A person's true character is shown not in a normal environment but during trials. The person who is the first to come to one's aid and sincerely help when one is in trouble is a genuine comrade and revolutionary comrade-in-arms who shares the same life and death.

In his reminiscences, the fatherly leader [oboi suryongnim] wrote that one may gain someone else's friendship with a cup of water or a potato when they cannot gain it with a million pounds of gold. Our people must always consider this valuable guideline as a motto in their struggle and life, and must implement it.

Every time our people faced difficult tasks and trials throughout history, they considered helping and leading each other with warm, comradely love as a virtue. Even when the allied imperialist forces challenged our people, they overcame the difficult trials with comradely love, firmly believing only in the party and the leader [suryong] and unhesitatingly risking their valuable lives. They all tightened their belts, helped each other, and successfully carried out the massive tasks during the period of postwar reconstruction when everything was destroyed and in short supply. If we strongly unite around the party and the leader [suryong], and love each other and unite their strengths with the spirits of that period, we can easily overcome any difficulties.

Our belief is firm and our victory is certain. If all the people consider the philosophy of comradely love to be their belief, and overcome today's arduous march with warm, comradely love, then the political and ideological fortress of our own style of socialism will be further consolidated as rock-solid, and the dignity of chuche Korea will be displayed more highly.

The philosophy of revolutionary, comradely love is and will be the eternal lifeline of the Korean revolution. The great leader [widaehan yongdoja] Comrade Kim Chong-il is leading our party and people to a new struggle and victory with noble, comradely love. As long as we have the respected and beloved Comrade

Kim Chong-il [kyongachanun kimchongil tongji], and as long as there is a revolutionary rank strongly united with comradely love, then our fatherland will eternally cast its ray as the country of single-hearted unity, and the chuche revolutionary cause will win victory after victory in any storm.

There can be a force that can blow up the earth. However, no force in the world can destroy our single-hearted unity based on comradely love. Our people must unite, unite, and unite around the great leader [widachan yongdoja] Comrade Kim Chong-il with revolutionary, comradely love, and thus will glorify the history of comradely love, created by the fatherly leader [oboi suryongnim], for generation after generation and win ultimate victory in the chuche revolutionary cause.

DPRK Editorial Urges 'Indomitable' March Under Red Flag

962C0035A *Pyongyang NODONG SINMUN*
in Korean 8 Jan 96 p 1

[NODONG SINMUN Editorial: "Let Us Vigorously Give Play to the Spirit of the Socialist Korea Holding High the Red Flag"]

[FBIS Translated Text] The whole country is seething with an upwelling zeal of the party members and working people who have risen up unanimously in the New Year's battle. In order for the whole population united solidly around the party to successfully carry out this year's enormous tasks, it is imperative to create a revolutionary upsurge in all fronts of socialist construction under the slogan of "Let Us Vigorously Give Play to the Spirit of the Socialist Korea Holding High the Red Flag!". The great leader Comrade Kim Chong-il has noted: "Only when the popular masses carry the red flag of the revolution lifted by the revolutionary fighters from generation to generation can their cause of independence and socialism be brought to victory." Today, the Korean revolution is emitting its radiant rays as a revolution that is winning victory after victory. The spirit of the socialist Korea which is vigorously advancing under the banner of the chuche idea is the spirit of independence with which one carries out the revolution in his own way relying only on his own strength, as well as the spirit of invincibility that pushes through any kind of tribulations with the might emanating from the single-minded unity formed firmly around the great leader. We should give play to this spirit of the great socialist Korea under the red flag. Wherever the red flag flies high, the revolution triumphs and the honor and dignity of the revolutionaries brighten.

That our people are now accelerating the all-out march designed to vigorously give play to the spirit of the socialist Korea under the red flag is a rewarding work for infinitely glorifying our fatherland as Comrade Kim Il-song's fatherland and for holding the great leader Comrade Kim Il-song in esteem for thousands of generations to come.

Reflected in the red flag is the great leader's lifetime. The fatherly leader had guided the arduous and tribulation-ridden revolution at its helm under the red flag of the revolution while achieving an immortal accomplishment for the era and revolution, for the fatherland and people. The great leader's name and his achievements will shine and his eternal life will be guaranteed on the road on which the march is advancing under the red flag. For our people who have been raised in the bosom of the respected and beloved leader and who have enjoyed a rewarding life under his guidance, no work is more sacred than to safeguard to the end the red flag lifted by the leader until the last minute of his life. When all the party members and working people invariably give vigorous play to the spirit of the socialist Korea, lifting high the red flag, the immortal name and achievements of the great leader, the founding father of the socialist Korea, will emit more brilliant rays and his behests will be implemented more thoroughly.

It is a revolutionary requirement of the Korean communists and their noble obligation to accelerate the all-out march for giving full play to the spirit of the socialist Korea, holding high the red flag.

Today, we are engaged in socialist construction under the most difficult conditions. While the imperialists and reactionaries are incessantly intensifying their scheme to isolate and obliterate our Republic, the fortress of socialism, we are faced with difficult and enormous tasks. It is a high time for our popular masses to display the indomitable revolutionary spirit, holding high the red flag that has been raised higher than at any time before. Only when we put up a more vigorous struggle under the red flag can we firmly defend the socialist gains that we have won with blood and consummate the chuche revolutionary cause to the end.

Victory will come only when the red flag is defended and if it is not defended, there will be only death. The only way we can remain ever-victorious as revolutionaries and the only way we can glorify our honor and dignity is to advance forward under the red flag.

Historically, our people have resolutely safeguarded the red flag of the revolution. The harder the trials and obstacles became, the higher they raised the red flag. Our people fought tenaciously in two formidable revolutionary wars in the spirit of the red flag and won

glorious victories. At the same time, even in the face of harsh conditions, they have successfully built the most superior socialism under the red flag. Only when we give play to such a traditional spirit more vigorously in this year's battle can we once again make known in the world the heroic people's valiant mettle fostered by the great party and leader and make the history of our socialist construction shine endlessly as an epic.

This year marks the 70th anniversary of the great leader Comrade Kim Il-song's founding of the "Down-With-Imperialism Union" (DIU). We should create a new upsurge this year in all areas of the revolution and construction by waging a vigorous struggle under the red flag lifted high by the revolutionary fighters, thereby making this year the most meaningful one in the history of our party and fatherland that are firmly carrying on the chuche bloodline of the revolution.

In order for all the party members and working people to accelerate the all-out march for a vigorous display of the spirit of the socialist Korea under the red flag, it is imperative for them to arm themselves firmly with the red flag philosophy of our party.

Embodied in our party's red flag philosophy are the spirit of the single-minded unity in which the entire party, the whole armed forces, and the entire population united solidly around the leader are fighting staunchly; the spirit of self-reliance in which they overcome any difficult obstacles on their own, without even a bit of oscillation; and the indomitable spirit in which they advance and keep advancing while fighting, backed by the strong will that may break but never bend. When we vigorously continue our struggle assuming this red flag philosophy as our motto, there will be no such things as obstacles we cannot overcome or fortresses we cannot occupy.

Arming themselves firmly with the red flag philosophy, the great leader Comrade Kim Chong-il's code of faith and philosophy of will, all the party members and working people should live and struggle in the spirit of the red flag. We should keep the red flag of the revolution flying higher while advancing in an invincible faith that as long as the great Comrade Kim Chong-il stays with us, we will triumph without fail. Under no circumstances should we forget the noble blood and sweat the revolutionary fighters had shed during the long period of a march, winning victory after victory under the red flag of chuche. At the same time, we should prepare ourselves firmly as true revolutionaries, enjoying eternal life along with the red flag, just as the revolutionary fighters did.

The spirit of the socialist Korea that is now advancing under the red flag of the revolution is the spirit of the

single-minded unity of the entire party, the whole armed forces, and the whole population that are united solidly around the leader.

This year we should further solidify the single-minded unity of our revolutionary ranks united solidly around the party Central Committee led by the great leader Comrade Kim Chong-il. Just as the first generation of our revolutionaries had fought for the great leader at the risk of their lives, without a moment's hesitation, under the "DIU" banner, all the functionaries, party members, and working people should defend the respected and beloved general, our destiny and the intelligence at the top, politically and ideologically, and at the risk of their lives. We should hold on to the firm standing that we follow nobody except the great leader Comrade Kim Chong-il and make all work and life oriented by the cause of holding the respected and beloved general in esteem, based on the single-minded loyalty and filial piety and remain that way. In particular, party members and working people should deeply study the great Comrade Kim Chong-il's immortal classic work **"It is a Noble Moral Obligation on the Part of the Revolutionaries to Hold Revolutionary Fighters in Esteem"** and turn the profound ideology and theories of the work into nutrition so as to prepare themselves as true loyalists who uphold their leader [suryong] and leader [yongdoja] on the strength of noble moral obligation and make the spirit of the noble communistic morality prevail throughout the society.

The struggle being fought to give vigorous play to the spirit of the socialist Korea under the red flag is at once a struggle aimed at strengthening the economic might of the country in all aspects.

This year we should bring about decisive progress in implementing the party's revolutionary economic strategy through an aggressive struggle waged with a renewed resolve and determination, thereby putting the red flag spirit of our party members and working people on full display. Oscillating in the face of obstacles and buckling under a stiff task has nothing to do with the party's red flag spirit. As demonstrated by the historical experience of our revolution, those who are carrying out the revolution on the strength of the red flag spirit and those who are driven by the single idea that they will care for nothing else but for the revolution take unlimited pride and find reward in an unconditional implementation of the revolutionary assignment to the end, readily suffering from any kind of trials.

Bearing in mind our party's call on them to live and struggle in the red flag spirit, all the party members and working people should overcome all manner of difficulties and obstacles with the power of their belief

and will. All of us should uphold the party and glorify our country and fatherland not just in words, but with the practical results in their work, and transform themselves into true revolutionary warriors capable of devoting all their effort and enthusiasm to the socialist fatherland.

In realizing this year's goals set out by the party in the economic construction under the red flag, the party members and working people in the domains of agriculture, coal industry, metallurgical industry, power industry, and railway transportation have a very crucial duty to perform. Only when the red flag is flown high in these domains will an innovation be created in all areas of the people's economy and will the national economic might as a whole be strengthened incomparably.

From the beginning of the New Year, the party members and working people defending the forefront of the struggle designed to implement the party's revolutionary economic strategy should keep the flames of the innovation burning dynamically through an aggressive battle waged in the spirit of the red flag. It is the guidance functionaries who should take the lead in the all-out march this year aimed at giving vigorous play to the spirit of the socialist Korea under the red flag. When the functionaries are engaged in a struggle with the spirit of the red flag, the whole country will be filled with the spirit of the red flag, the fatherly leader's teachings will be brilliantly implemented, and global miracles will be created.

The revolutionary spirit of the masses who have risen up in the New Year's struggle is very high. All the functionaries should organize and develop everything as intended by the party from the beginning of the New Year, in a bold and spirited manner, arming themselves with faith in victory, a new resolve, and resolute fighting spirit.

All the functionaries should run and keep running for the enrichment, strengthening, and development of the country, abandoning such things as self-interest, ambitions, and self-protection, and guide the masses with the noble revolutionary spirit in which they can devote themselves to the revolution and people. With a resolution to resolve everything with one's own strength even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them, the functionaries should carry out the economic organizational work creatively and responsibly, in the belief that they are the masters of everything, and thoroughly carry out the fatherly leader's teachings given to their units.

Our red flag represents creativity, innovation, and popular heroism, and apart from the display of popular hero-

ism, it is inconceivable to speak about giving full play to the spirit of the socialist Korea.

All the party members should kindle the flames of collective innovation more dynamically in all areas of the socialist construction. All the domains and units of the people's economy should vigorously launch a variety of mass movements including the movement to win the red flag of the three revolutions so as to brilliantly fulfill this year's militant tasks on the strength of the might of the mass movements while strengthening the creative cooperation among the producer masses, scientists, and technicians even further. We should keep creating new miracles and feats without let-up in the spirit in which the Great Chollima Upswing was created, manufacturing what is nonexistent and seeking out more of what is in short supply, and make everybody a hero and innovator in this year's struggle.

It is very important to enhance the role of the party organizations in today's all-out march for giving full play to the spirit of the socialist Korea under the red flag.

Party organizations at all levels should strengthen even further the ideological indoctrination work among the party members and working people in accordance with the requirement of our revolutionary development which has entered a new turning point. Party organizations should vigorously launch indoctrination work in a variety of forms and methods so as to make the party members and working people uphold the party and accelerate the socialist construction in the spirit of the red flag. More immediately, the party organizations should aggressively launch an organizational political work designed to arouse all the people in implementing the slogan "Let Us Vigorously Give Play to the Spirit of the Socialist Korea Under the Red Flag!", a slogan presented in a joint editorial carried in "NODONG SINMUN", thereby making the whole country seethe with a high degree of revolutionary enthusiasm and surging fighting spirit from the beginning of the New Year's all-out march.

Although the tasks facing us this year are enormous, we can surely realize them. We are firm and steady in all aspects, have great confidence in ourselves, and are full of fighting spirit. The party is firm; our single-minded unity is mighty; and the revolutionary armed forces are invincible and ever-victorious. When all of our party members and working people advance in struggle in a firm, single-minded unity formed around the great leader Comrade Kim Chong-il, singing dynamically a song entitled "Let Us Raise High the Red Flag", it will give play to the spirit of the socialist Korea more vigorously and enhance our people's honor and dignity endlessly.

Let us all, out of faith and optimism, put on full display the spirit of the heroic people who are advancing under the leadership of the great party and leader by rising up as one in the New Year's all-out march designed to give play to the spirit of the socialist Korea under the red flag.

DPRK Editorial Urges Living for Tomorrow's Great Victory

962C0063A *Pyongyang NODONG SINMUN*
in Korean 24 Feb 96 p 1

[Editorial: "Let Us Fight Doggedly for Tomorrow's Still Greater Victories, Brimming Over With Confidence and Optimism"]

[FBIS Translated Text] All our people, rallied around the great leader Comrade Kim Chong-il in one mind, are now vigorously accelerating the onward march to make the socialist Korea well known for its mettle, brimming over with confidence and optimism. With this revolutionary vigor, we must effect continual upswings in all fronts of socialist construction. In this connection, it is important to bring into full play the revolutionary spirit of living not for today, but for tomorrow.

To live and fight tenaciously not just for today, but for still greater future victories, brimming over with confidence and optimism, is an ethos that people carrying out a revolution should cultivate.

Revolutionaries are the people who value the future and struggle harder than anyone else to reach it sooner. They always set high ideals and do not hesitate to give their lives to fight for the sake of the future and posterity. That is the way they fight and live.

Revolutionaries did not embark on the road of revolution for their own comfort or only for the happiness of their own generation. These are the people who find the value of living in fighting, ready to give their all, to secure a better future for their country and to bring a wonderful future to posterity, although they experience hard times and can not afford a comfortable living in their own generation—these are the real revolutionaries and communists. Revolution is a struggle for the future; and for the revolutionaries there can be no life worth living and no worthy way of living apart from the struggle for the future of the country and for the happiness of posterity.

For our people to live and fight staunchly not only for today but for still greater future victories, brimming over with confidence and optimism, is a worthy way of vigorously giving play to their mettle as a revolutionary people under the leadership of the great party.

Our party takes full responsibility not only for the current well-being of our country and people but for their future as well. Under a grand design for the prosperity of the country and the happiness of posterity, our party is sagaciously leading our people into the struggle to put it into practice.

Our people are building socialism under very difficult conditions, with numerous obstacles standing in their way. But we have nothing to fear and victory is a certainty as long as we have the seasoned and tested ever-victorious party led by the great Comrade Kim Chong-il. When all our people band together closely around the party and fight on staunchly for still greater victories, with the spirit of living today for the sake of tomorrow, they will bring about fresh upsurges in all aspects of socialist construction and hasten the reunification of the fatherland and the complete victory of socialism.

Continuing to fight staunchly for the future of the fatherland, for the well-being of posterity, and for still greater victories for the revolution is the traditional struggle ethos of our people.

There were so many critical times on the road traversed by our people in the past. But the greater the ordeals and the more multitudinous the barriers, the more vigorously did they fight under the leadership of the party and the leader, holding the red flag of the revolution high, confidently looking forward to the bright future with their deep-rooted faith in certain victory. In the course of cutting the rugged road of revolution, always confident of the bright tomorrow of the fatherland and the future of the revolution, the late revolutionary fighters nurtured the Paektu revolutionary spirit with which they defeated the large Japanese army a million strong, and our people gave full play to the chollima revolutionary spirit with which they erected a rich and strong new Korea on the ruins. We must continue to give full play to this traditional struggle ethos in the current all-out forward march to make our country, our fatherland, richer and stronger. As in the past, we must make a continuing forward movement and continuing innovation for victory today, tomorrow, and forever, brimming over with confidence and optimism. This is the way we make the honor and dignity of the Kim Il-sung nation well known for generations to come and fulfill the chuche revolutionary cause to the end.

Our revolutionary cause, led by the great leader [yong-doja] Comrade Kim Chong-il, is the most legitimate cause aimed at building man's ideal society without fail, under the banner of chuche, and no force on earth can block the triumphant advance of this cause. All party members and workers must demonstrate to the fullest

the ethos of our people as a people engaged in revolution and construction, by fighting all the more doggedly for the hope-filled future of our fatherland, with faith in certain victory and optimism.

All party members and workers must, above all, arm themselves airtight with the great leader [yongdoja] Comrade Kim Chong-il's revolutionary view of life.

The great Comrade Kim Chong-il has the view of life which all revolutionaries must nurture and has it at its noblest height. He is leading our people by the hand to live and fight more tenaciously for tomorrow rather than for today.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: 'Don't live today for today, but live today for tomorrow'—this is my view of life."

This dictum of the respected commander is the maxim for struggle and for life expressed with a jewel of a theme, which tells all communists and people carrying out a revolution with what kind of outlook on life they should staunchly walk the road of revolution. Warmly pulsating in this golden maxim are the unshakable determination and will of the respected and beloved commander [Comrade Kim Chong-il] to give his all for the sake of the future of the country and the happiness of posterity by overcoming any difficulties and ordeals with faith in certain victory. The great Comrade Kim Chong-il is tirelessly applying himself day and night, even on his birthday, for the country, the people, and the revolution, without sleep or a day or a moment of rest, because he has this view of life.

Modeling ourselves after the leader [yongdoja] means learning from his ethos and raising the level of our own view of life to the same height as that of his outlook on life. All our functionaries, party members, and workers must prepare themselves as true, staunch revolutionaries who do not live today for today, but live today for tomorrow, by arming themselves securely with the great leader [yongdoja] Comrade Kim Chong-il's view of life. When all of us do a lot of work under difficult conditions, even if we cannot afford to enjoy a better life in our own generation, we must devote all our wisdom and energy to bequeath many more better things to the future generations and to find a great reward and pride in this endeavor. We must know how to willingly endure thousands of ordeals only for the sake of the future of our country and the happiness of posterity, and to give full play to the indomitable spirit of sacrifice to live with a clean conscience before the country and the younger generation and to accomplish something worthwhile for them.

In order for our people to live and fight doggedly for greater future victories, brimming over with confidence and optimism, it is important to actively emulate the noble revolutionary spirit of the revolutionary elders.

Ours is the generation which received the baton from the revolutionary elders in the long-distance race for achieving the goals of the revolution, and which enjoys the most worthy life thanks to their struggles and accomplishments. The late anti-Japanese revolutionaries, the first-generation revolutionaries, willingly sacrificed their prime of youth to build a rich and strong fatherland and a happy life for us as we see them today, and this at the most arduous time. The revolutionary spirit they cherished in their hearts took the form of the extraordinary determination and will to hand over a restored fatherland to posterity without fail, although they themselves had to do without an easy life and even give their lives. More than a century has passed since our fatherland was restored, but the hearts of our people still resonate with the voices of those anti-Japanese revolutionary martyrs who from the scaffold appealed to the people to value the future, shouting that they could see the victory of the revolution, despite the fact that their eyes were gouged out by the enemy. This is because the boundlessly lofty spiritual world of our late revolutionary fighters pulls at our heartstrings today.

Participants in the Fatherland Liberation War and the new generation of the postwar reconstruction period defended the freedom and independence of their fatherland with their blood and worked with the sweat on their brows, not for their own personal interests or fame, but to prevent the coming generations from being shackled by the fate of slavery and to build a richer and stronger country.

All party members and workers must not forget how our revolutionary elders and anti-Japanese revolutionary fighters walked a long arduous path ridden with ordeals for future generations, by giving full play to the indomitable revolutionary spirit, but fight doggedly like them with extraordinary resolve, brimming over with confidence and optimism. We must actively emulate the indomitable revolutionary spirit of giving one's life without hesitation for the sake of future generations—the most valuable ideological and spiritual legacy handed down from the late revolutionary fighters—and fight like them so that we may become true revolutionaries whom our country and people will remember forever.

Our people's spirit of fighting doggedly not only for today but also for greater future victories, brimming over with confidence and optimism, should manifest itself vigorously in the implementation of party policy un-

conditionally and thoroughly, by upholding the fatherly great leader's behest.

The struggle to implement the fatherly leader's behest is at the same time the struggle to implement party policy. Each and every one of our party policies is intended without exception to brilliantly fulfill the desires that the fatherly leader had in his lifetime; and party policy is the invincible banner which will bring none other than great, endless victories. He who implements party policy unconditionally, under any circumstances and conditions, is a revolutionary armed securely with the respected and beloved commander's view of life, and a man who lives today for tomorrow.

All party members and workers must give fuller play to the principle of absoluteness and unconditionality in the implementation of party policy, under the slogan "Whatever the party decides, we execute." We must produce new heroic exploits in the struggle to implement the respected and beloved Comrade Kim Chong-il's idea about socialist construction, in order to hand down to posterity not only valuable ideological and spiritual legacies but also a people's wonderful paradise. All party members and workers must break through all barriers and obstacles head-on and thoroughly implement the party's revolutionary economic strategy, by giving full play to the spirit of "arduous march." Party policies are clearly presented in every sector and field of the revolution and construction. The tasks and goals of our struggle are clear, and there is an abundance of possibilities in place for executing and reaching them. All party members and workers must carry out the revolutionary tasks assigned their respective sectors and units, unconditionally and thoroughly, with the firm belief that the lines and policies presented by the respected and beloved commander are absolutely judicial and that when they do as the commander tells them to do, they can win all the time. No people in this world are a match for a people who are determined to die at any time; there is no fortress a people with such conviction cannot capture.

It is important to enhance the role of party organizations in getting all our people to fight doggedly not only for today but also for greater future victories, brimming over with confidence and optimism.

Party organizations must carry out organizational political work among party members and workers in various forms and by various methods, to firmly arm them with the great leader Comrade Kim Chong-il's view of life, with a view to leading them to produce still greater exploits for the sake of the future, in a manner worthy of the warriors and disciples of the great leader and the respected and beloved commander. Party organizations

must step up the task to get party members and workers to deeply understand as a matter of principle the idea that for people carrying out a revolution, it is very important to live and fight with confidence and optimism for tomorrow rather than for today, so that every one of them may become a true revolutionary who does not live today for today but lives today for tomorrow.

Standing at the forefront of our revolution is the great leader Comrade Kim Chong-il, and we have an inexhaustible ability to achieve still greater victories for the revolution. The party and the government are secure, our wholehearted unity is powerful, and our revolutionary armed forces are invincible.

All party members and workers must augment the strength of our style socialism and achieve lasting prosperity for their country, their fatherland, by fighting doggedly with still more grand ideals and aspirations, brimming over with confidence and optimism.

DPRK Article Views Positivism of Socialist Moral Education

962C0063B *Pyongyang NODONG SINMUN*
in Korean 29 Feb 96 p 2

[Article by Kim Hong-yong: "Potent Method of Moral Education Suitable to the Nature of Socialist Society"]

[FBIS Translated Text] In his classic masterpiece "Treating Revolutionary Elders With Respect Is a Noble Moral Duty of Revolutionaries," the great leader Comrade Kim Chong-il elucidated that conducting moral education as a socialist movement by means of indoctrination to influence people by positive example is a potent method suitable to the nature of socialist society.

The great leader [yongdoja] Comrade Kim Chong-il pointed out as follows: "Conducting moral education as a socialist movement by means of indoctrination to influence people by positive example is a potent method suitable to the nature of socialist society."

Moral education is of great significance in the consolidation and development of socialism.

The completion of socialism means, above all, the perfection of man himself, the master of society; and moral perfection occupies an important place in the perfection of man. Strengthening moral education is one of the principal methods for remodeling people into true communistic human beings with a noble moral character.

As is the case with all forms of ideological education, in moral education which is an important aspect of ideological education, success depends by and large on

the method used. In socialist society moral education should be conducted by a method suitable to the nature of society.

Conducting moral education as a social movement by means of indoctrination to influence people by positive example is the most effective method suitable to the nature of socialist society.

This method, above everything else, is the method of education embodying the intrinsic demands of socialist society in which the positive occupy a dominant place.

Socialist society is one in which the masses of people are the masters of all things and in which all things serve them. In socialist society there are no classes hostile to each other; accordingly, exploitation and oppression do not exist, and the political unity, solidarity, and cooperation of the people who have become the masters of the country are fully realized. That is why the positive occupy a dominant place in socialist society. In capitalist society the capitalists, landlords, and other exploiting classes occupy a dominant position and oppress the masses of working people, the absolute majority of the society; therefore, the positive cannot constitute the basis of the society. Socialist society is a new, advanced society fundamentally different from capitalist society; it is a superior society in which all the people live in harmony assisting and leading one another with common aspirations and goals. That is why in socialist society a milliard of examples of positive behavior, such as the fine mores of noble moral loyalty, comes into bloom. In socialist society, positive attitudes occupy a dominant place and everyone enjoys a happy life taking immense pride in his or her life, with an optimistic outlook on the future in this context of social relations. This is an intrinsic characteristic of socialist society.

Because of this intrinsic nature, socialist society demands that in the moral education of people, primary emphasis be placed on the positive with reliance on the method of influencing people to overcome the negative by positive example.

Giving prominence to the positive in itself amounts to a tacit repudiation of the negative, and it teaches people vividly how they should model themselves after communism. Morals are the rules of social behavior which are observed by virtue of conscience on a voluntary basis; accordingly, it is important in moral education to have everyone give full play to a noble moral ethos in every aspect of work and life, with a clean conscience. The fine custom of communistic moral loyalty, demonstrated among people in socialist society, forcefully drives, with an immense, influential power, all members of the society to aspire to noble and laudable behavior. The superiority and power of the method of

indoctrination to influence people by positive example lie in that it purifies their conscience and enables them to strengthen social unity and harmony.

In socialist society there is no source giving birth to negative phenomena, and it is the unanimous desire of every member of the society to lead a worthy life with a noble and fine ethos. It is precisely for this reason that positive examples evoke an immense response on the part of the people and rapidly spread throughout the whole society, until they become a universal phenomenon. The method of indoctrination to influence people by positive example is the most effective method of moral education suitable to the intrinsic nature of society in which the positive occupy a dominant place, and also suitable to the ideological feelings of people in socialist society who form a social and political organism and live by giving play to revolutionary camaraderie and loyalty.

Conducting moral education as a social movement, by the method of indoctrination to influence people by positive example, is also a method of moral education embodying the inherent demands of socialist society in which the masses of people take the lead in building socialism.

Socialist society can be built and perfected successfully only when all the people take the lead and fulfill their responsibilities and roles as masters. All the people step forward as one and fight devotedly, with self-awareness as the masters of the society—herein lies the powerful driving force speeding up the development of socialism.

The masses of people must also be the masters in the remodeling of man because they are the masters of socialist society.

To begin with, the work of remodeling man, an important aspect in socialist construction, is an undertaking for the good of the masses of people and must be carried out by them. It is a bounden duty and obligation of the masses of people to regard moral education as their own task and participate in it as appropriate for masters that they are.

As is the case with all other tasks, only when moral education is transformed into the masses' own undertaking and carried out as a society-wide movement, with the participation of all members of the society, can it positively contribute to remodeling them into true communistic human beings with a noble moral character and establishing the communist moral ethos in the society on a full scale.

Social morals are collective morals based on noble camaraderie and revolutionary loyalty. They are the finest ones that inherited the outstanding mores in

history handed down among the masses of working people from generation to generation and which have been freshly developed to suit the intrinsic demands of socialism. That is why socialist morality is the most universal ethic that everyone living in socialist society must observe. The ideological theory on conducting moral education as a social movement is a legitimate one, fully in accord with the inherent characteristics of socialist morals.

Because people's moral character manifests itself in various forms in their daily life, a more effective way of moral education is to conduct it not by a small number of functionaries or by ideological education organizations alone but as a social movement, in particular, in which everybody participates so that people may educate one another. No method is more powerful than conducting moral education vigorously at every opportunity and in all processes, with everyone participating in it as appropriate to the master.

The validity and justness of the respected and beloved Comrade Kim Chong-il's ideological theory on conducting moral education as a social movement by the method of indoctrination, to influence people by positive example, have been fully corroborated by our party's ideological work and historical experience in socialist construction.

Our party from an early date put great efforts into moral education, with deep insights into its importance and significance in socialist society. Our party has wisely led the way in vigorously conducting moral education through various mass movements, with primary emphasis on indoctrination to influence people by positive example.

In indoctrination work to educate party members and workers to inculcate in them the communist moral character, our party inspired them actively to learn from the examples of late anti-Japanese revolutionary fighters, heroes of the Fatherland Liberation War, and unsung heroes, by using them as models. At the same time, it energetically led party members and workers to give full play to the noble communist moral character through various forms of mass movement in each developmental stage of the revolution—movements such as the postliberation, all-out nation-founding thought mobilization movement, the chollima movement in the postwar period of socialist construction, and the current three-revolution red flag movement, at a time when the cause of modeling the whole society after the *chuche* idea has come to the fore. As a result, in our country broad masses of people are actively participating in the ideological remodeling movement and preparing themselves soundly, by educating each other, as *chuche*-

oriented communist revolutionaries having the lofty revolutionary view of revolution and a noble moral character.

Today the fine custom of moral loyalty of being loyal and faithful to the party and the leader and respecting revolutionary elders is given full scope. Increasing continually as days go by are the ranks of people who give their lives without hesitation for their revolutionary comrades, and who lead their whole lives sincerely by maintaining their attitude as loyal subjects and filial children, looking for useful tasks and carrying them out for the good of the party, the revolution, the society, and the collectives, regardless of whether anyone watches them or not. They are the incarnations of clean conscience and noble moral loyalty. The true features of our style socialism find their expression in the full efflorescence of these fine and noble communist mores in our society.

This proud reality of our society today is totally a brilliant fruit borne of the judicious leadership of the party and the leader and bears witness to the justness of the ideological theory on conducting moral education as a mass movement by the method of indoctrination to influence people by positive example.

The ideological theory on conducting moral education as a social movement by the method of indoctrination to influence people by positive example is a powerful scientific ideological theory which could be formulated by no other person than the great leader [*yongdoja*] Comrade Kim Chong-il, who is the highest incarnation of noble communist moral loyalty, and who has brilliantly explored the new frontier of communist moral construction. With this ideological theory set forth, our society has come into possession of a powerful ideological and theoretical weapon with which to further develop and enrich the revolutionary theory of the working class on building socialist morals and to make the grand features of noble communist moral loyalty manifest themselves still more intensely in our society.

Our people will show their pride as a great people who will continue to adorn the history of communist moral loyalty with new chapters today, tomorrow, and forever because they have the tested leadership and the most correct socialist moral building line of the respected and beloved Comrade Kim Chong-il.

South Korea

ROK Official: Kim Chong-il Set To Assume Presidency 'Next July'

SK1306004396 (Internet) The Digital Chosun Ilbo
WWW in English 1118 GMT 12 Jun 96

[All quotation marks as received]

[FBIS Transcribed Text] The North Korean leader, Kim Chong-il, is set to assume the title of General Secretary of the Labour Party [Workers Party of Korea] assume the Presidency if the State next July according to a government official [sentence as received].

The official predicted that, citing North Korea's jointly published newspaper New Years Editorial, as "1996 is the third year since the death of Kim Il-song but the editorial of the June 8 edition of the Workers' Paper [NODONG SINMUN] said this year marks the full two years of his passing" the North will therefore regard July 8 1997 as marking the completion of a three year period of mourning.

ROK Editorial Views 'Shift' of Policy on Aid to DPRK

SK1206045296 Seoul THE KOREA TIMES in English
12 Jun 96 p 6

[Editorial: "More Food Aid to NK"]

[FBIS Transcribed Text] In a shift of its policy toward impoverished North Korea, the government has decided to provide \$3 million in aid to Pyongyang. Officials said the proposed aid, to be made for reasons of humanitarianism and brotherly love, will be effected through international relief organizations.

Whatever the reason, it is to be noted that this represents the resumption of food aid from South Korea to North Korea after a gap of nine months since 150,000 tons of rice was shipped there last year. The government has appropriately decided to allow domestic relief organizations like the Red Cross Society to increase the amount of food grain and other daily necessities being sent to the flood victims in the North.

The government's rice aid policy brings it into line with the international calls for more aid to the North initiated by the United States. From the humanitarian point of view and the peculiar relationship the South has with the North, the South Korean government is not in a position to lag behind when other countries are moving to help.

In the meantime, the Seoul government needs to avoid giving the impression that it is reluctant to help, whether for political or economic reason, while other countries

are more active in offering aid to North Korea. In fact, the reason the South has declined to give official aid to the North is because of Pyongyang's steadfast refusal to participate in inter-Korean dialogue and end slandering of the Seoul government.

The new government stance may well be maintained in coordination with those of the U.S., Japan and other allies and be made contingent on the North's response to the proposal of four-party peace talks involving the U.S., China and the two Koreas.

At the same time, the South's demand for proof that the relief food is actually distributed to needy people is appropriate, because of concern about the use of the \$130 million in insurance money that the North reportedly received from eight Western insurance companies for the poor 1994 crop.

ROK: WFP To Accept Powdered Milk for DPRK

SK1306072696 Seoul YONHAP in English
0723 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — The World Food Program (WFP) has notified the government of its willingness to accept the 3 million U.S. dollars worth of powdered milk and corn-soy bean blend Seoul offered to help assist flood-stricken North Korea, the National Unification Ministry said Thursday [13 June].

"WFP in a telegram dated Tuesday welcomed and thanked Seoul's decision regarding food aid for the North, and promised to actively cooperate in transporting the food offered by Seoul to the North and monitoring its distribution," a ministry official said.

The government offered 1 million dollars worth of powdered milk and 2 million dollars for purchasing corn-soy bean blend to feed infants and children.

WFP has inquired about how the government expects to transport the powdered milk and when the relief money will be remitted, according to the official.

Deputy UN Secretary General Yasushi Akashi has also formally expressed a willingness to accept the food offered by Seoul, the source added.

ROK Government Sets \$2 Million Ceiling on Private Aid to DPRK

SK1306003196 (Internet) The Digital Chosun Ilbo
WWW in English 1116 GMT 12 Jun 96

[FBIS Transcribed Text] The government announced Wednesday [12 June] that from hereupon the maximum amount of private aid that may be provided to the North

for dispersal by the Korean Red Cross will be capped at \$US 2 million.

The government is keen to prevent the outbreak of an overheated aid campaign by private organizations and will preclude business enterprises and the press from participating in any assistance programs.

A government official said that in the situation in which we have to import 63,000 tons of cooking rice it is difficult to permit massive grain assistance at the private level. He said that the government will restrict assistance to small-scale humanitarian aid. He indicated that the grain assistance by private organizations should never exceed 10,000 tons of corn citing that in the international arena small-scale grain assistance is regarded as "rice 1,000 tons, corn 10,000 tons".

ROK: U.S. To Offer Humanitarian Assistance to DPRK

SK1306055596 Seoul YONHAP in English
0547 GMT 13 Jun 96

[FBIS Transcribed Text] Washington, June 12 (YONHAP) — The United States, in response to the recent appeal by the United Nations, announced Wednesday [12 June] that it would give 6.2 million U.S. dollars in humanitarian assistance to North Korea through the World Food Program (WFP).

A statement released by U.S. State Department Spokesman Nicholas Burns said that Washington plans to give 3,500 tons of corn soy blend for children under the age of five as well as 6,600 tons of rice and 3,000 tons of maize meal for victims of the devastating floods in the North last summer. Quoting a WFP estimate, Burns warned that the food shortage in the North could exceed 1 million tons this year.

South Korea announced Tuesday that it would give 3 million dollars in aid to the North and Japan is reportedly mulling whether to match the amount of food assistance promised by the United States. The United Nations is seeking about 43 million dollars in aid for North Korea from its member nations.

The decision to give aid was reached after consultations with Seoul and Tokyo, he noted, and would be done in the form of Public Law 480 Title II Emergency Food Aid.

Washington decided to give such assistance through the WFP because of its ability to closely monitor distribution in ensuring that the aid reaches those in need, Burns added.

The floods, the worst disaster in North Korea's history, were caused by heavy torrential rains, killing 70 people and leaving an estimated 500,000 homeless.

ROK: Two Men Arrested for Trying To Defect to DPRK

SK1206104096 Seoul YONHAP in English
0944 GMT 12 Jun 96

[FBIS Transcribed Text] Inchon, June 12 (YONHAP) — Two men in their thirties were arrested here Wednesday [12 June] by the Agency for National Security Planning (NSP) on charges of trying to defect to North Korea.

The duo, charged with violating the National Security Law, were Mun Chong-min, 37, and Yi Sok-ku, 39, both of Inchon.

An NSP source said the pair were arrested on suspicion of seeking to fly to Tianjin, China by a Korean air flight with the intent of defecting to North Korea by way of the North Korean Embassy in Beijing.

The two had come in contact with a North Korean defector who had been living in their neighborhood area since March last year and inquired of him about the North's treatment of South Korean defectors, the source said.

At the time of the arrest, the pair had 50,000 dollars in their possession, he added.

ROK: DPRK Trade Official Reportedly To Visit Taiwan This Month

SK1306101096 Seoul YONHAP in English
0957 GMT 13 Jun 96

[FBIS Transcribed Text] Tokyo, June 13 (YONHAP) — A senior North Korean official is set to visit Taiwan late this month to discuss bilateral economic cooperation, the KYODO news service, quoting the newspaper GONGSHANG SHIBAO of Taiwan, reported Wednesday [12 June].

The report said Yi Song-nok, vice chairman of the North Korean external economic affairs commission, will visit Taiwan to discuss the issues of exchanging economic offices in Pyongyang and Taipei and expanding economic and trade exchanges between the two countries.

Yi will be the first ranking North Korean official ever to visit Taiwan, KYODO said.

Taiwan began to promote exchanges with North Korea in 1992 after its relations with South Korea were severed. Last April, the North Korea international tourist bureau opened an agency office in Taipei.

ROK: DPRK Reportedly Postpones 'Economic Adjustment Period'

SK1306040796 Seoul CHUNGANG ILBO in Korean
13 Jun 96 p 3

[Report by Yi Yong-chong]

[FBIS Translated Text] It has been learned that North Korea has indefinitely postponed "the adjustment period" due to its failure of the Third Seven-Year Economic Plan (1987-1993).

A government official said on 12 June: "It has been confirmed that North Korea has suddenly put off the economic adjustment period, which was originally planned for the period between 1994 and the end of this year." He then added "My understanding is that North Korea has yet to decide on the schedule until when it will postpone the adjustment period."

The official said the decision was made at a meeting of high-ranking party officials, which was attended by Kim Chong-il, and that North Korea is currently reviewing overall economic plans.

With the postponement of the economic adjustment period, which was mapped out to complement underdeveloped sectors, the prospect of North Korea's stagnating economy has become more gloomy and the entire North Korean society is likely to be adversely affected by the postponement.

ROK: Background on DPRK's Postponing 'Economic Adjustment Period'

SK1306075096 Seoul CHUNGANG ILBO in Korean
13 Jun 96 p 4

[Article by reporter Yi Yong-chong: "Background and Ripples Regarding the Postponement of the 'Economic Adjustment Period'"]

[FBIS Translated Text] It seems that the decision by North Korea to postpone its "economic adjustment period" is an inevitable choice when considering the reality of North Korea's economy, which is facing ruin. The economic adjustment period, which had started off under an extraordinary atmosphere, was indefinitely postponed with only six months left in its period due to the failure of the Third Seven-Year Economic Plan (1987-1993). Thus, North Korea is faced with the situation of planning its overall economy all over again.

From the start of 1994, the economic adjustment period was started under the slogan, "Let us implement the revolutionary economic strategy." However, it met with a great adverse condition, the death of Kim Il-song, in July of the same year. Thus, the basis for the economic adjustment period began to shake, and due to damage

from continued cold weather and last year's great flood, North Korea's economy was driven into a situation which was impossible to make heads or tails of.

As such, whenever the economic issue was mentioned, the economic adjustment period appeared frequently. However recently, it sneaked out of the North Korean media, hiding its tail.

North Korea had been exerting all its efforts to implement Kim Il-song's behest of attracting foreign capital into the Najin-Sonbong free economic trade zone and promoting agriculture, light industry, and trade as the three best projects, but no breakthrough was provided. In the late eighties, news of the completion of industrial facilities decorated NODONG SINMUN and the central broadcast everyday. Now, such news is nonexistent, even on the birthdays of Kim Il-song and Kim Chong-il.

Moreover, due to the delay in Kim Chong-il's official succession to power, an abnormal system is continuing in which the supreme leader [choegochidoja] is ruling the country under the title of chairman of the National Defense Commission and supreme commander of the military. Even though the term for the Supreme People's Assembly has already ended, it cannot even think about holding elections to elect the next deputies.

North Korea had established an adjustment period, before in 1968, 1976, and 1985. However, at the time, since North Korea's economy was on an upward curve, while completing the First Seven-Year Economic Plan in 1970 they were able to boast that "socialist industrialization" was completed. However, since the economy recorded growth of negative 3.7 percent in 1990, its real economic growth retreated for six consecutive years. Considering that this is the current state of North Korea's economy, a postponement of the adjustment period is indeed a serious problem.

Through this decision, North Korea has been faced with the double burden of persuading people about the postponement of the adjustment period and providing a new strategy to overcome its economic problems.

While establishing its economic adjustment period, North Korea claimed that the failure of the Third Seven-Year Economic Plan was due to the collapse of the East European socialist bloc in the early 1990's and the economic blockade policy by advanced Western capitalist countries.

However, now there is no basis to persuasively explain the postponement of the adjustment period. Blaming it on the death of Kim Il-song may result in "grave results," because it is the same as disgracing the leader [suryong]. There may be murmurs of complaints saying:

"Why are such incidents happening when Chong-il has seized power?"

Therefore, rather than persuading the people about postponing the adjustment period, it seems North Korea will concentrate on developing a new strategy presenting the "Kim Chong-il era," which is to set sail soon, and a vision for the 21st century.

Since the adjustment period signifies supplementing the poor progress in its economic plan as mentioned above, what is somewhat fortunate for the North Korean authorities is that they do not have to present a concrete economic goal.

In accordance with such judgment, it seems North Korea will postpone its economic adjustment period until pending foreign issues, including the issue of normalizing relations with the United States and Japan, is under control and a new economic plan is established. At the same time, it seems North Korea will seek ways to restore its economy.

ROK: DPRK Names New Chairman of Najin-Sonbong Free Trade Zone

SK1306005296 Seoul YONHAP in English
0044 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — North Korea has appointed Vice Chairman Kim Kyong-un, 57, of the External Economic Affairs Commission, chairman of the Administrative and Economic Committee of the Najin-Sonbong Free Economy and Trade Zone, government officials here said Thursday [13 June].

Kim, who replaced Paek Hwa-yong after he died recently, is known as an expert in economic affairs favoring an open-door policy. His previously served as head of the North Korean trade mission in Lebanon and ambassador to Norway.

An official said the selection of Kim as new administrative and economic officer of the Najin-Sonbong area indicates Pyongyang's intention to attract more foreign investment to develop the area as a capitalist economic base.

ROK: Won-Yen Transaction Market Slated To Open 1 Oct

SK1106044596 Seoul THE KOREA HERALD
in English 11 Jun 96 p 8

[FBIS Transcribed Text] Korea will open the won-yen transaction market beginning Oct. 1, the Korea Financial Telecommunications and Clearance Institute said yesterday.

With the market opening, some 100 domestic and foreign banks plus merchant banking corporations in Korea will be able to trade the Korean won currency for the Japanese yen, and vice versa at the won-yen market established at the institute in Seoul.

Korea now has only the won-dollar transaction market where the 100-odd foreign currency-dealing financial institutions trade the won for the greenback and vice versa. The won-dollar transaction market was established in September 1970.

Presently, foreign currency-dealing financial institutions have to use overseas foreign currency markets when they wish to engage in the won-yen transactions.

The opening of the won-yen market will greatly contribute to helping domestic banks and enterprises reduce costs resulting from frequent foreign exchange transactions and exchange risk, a spokesman at the institute said.

For instance, domestic banks willing to change the won with the yen will be able to shorten the transaction procedures to one stage—the direct trade of the won for the yen—from the present two stages—the trade of the won for the dollar and the trade of the dollar for the yen later, the spokesman said.

At the same time, the opening of the won-yen market, in addition to the won-dollar market, will diversify Korea's foreign exchange markets, resulting in the speed development of the domestic financial market, he added.

Korea will have three types of spot transactions and 17 kinds of future exchanges in the won-yen transactions.

ROK: Dutch Prime Minister Kok on DPRK Aid, Economic Issues

SK1106115996 Seoul YONHAP in English
1035 GMT 11 Jun 96

[FBIS Transcribed Text] Seoul, June 11 (YONHAP) — Dutch Prime Minister Wim Kok said Tuesday that he hopes his visit here would serve as a basis for follow-up talks and cooperation at both the political and economic levels.

Kok said Dutch humanitarian assistance to North Korea, if any, would be given through the European Union as well as other international channels, such as the International Federation of Red Cross and Red Crescent.

He also expressed the hope that President Kim Yong-sam would visit the Netherlands sometime next year.

The Dutch leader was speaking to reporters at the Seoul Hyatt Regency Hotel. He was accompanied by Dutch Trade Minister Van Dok and the President of the

Confederation of Netherlands Industry and Employers Vno-Ncw, Hans C. Blankert.

Saying he would walk through the Itaewon district, a shopping area that traditionally caters to foreigners, Kok stated purpose for the excursion is to see the nation "with my own eyes."

Trade Minister Dok said that in her talks with Construction and Transportation Minister Chu Kyong-sok, they discussed the issue of exchanging activities related to Korean development, including participation in the construction of Yongjong Airport off the coast of Incheon.

The two countries signed a memorandum of understanding (MOU) on cooperation in social security and health issues at the Ministry of Health and Welfare, she said.

Dok said that she brought up the matter of tariffs and other trade barriers in the Korean food market in her talks with Agriculture, Forestry and Fisheries Ministry officials.

At the Ministry of Trade, Industry and Energy, she spoke about South Korea's application for membership in the Organization for Economic Cooperation and Development, focusing particularly on the Korean financial sector.

She also indicated that Dutch firms specializing in music and children's apparel have expressed concern over intellectual property rights here.

Dok added that she sees vast potential in Korean-Dutch environmental cooperation, including water purification and treatment methods.

ROK: Netherlands Prime Minister Urges DPRK To Adhere to 1953 Truce

BR1206102896 Rotterdam ALGEMEEN DAGBLAD
in Dutch 11 Jun 96 p 6

[Report by Hans Vriens: "Kok Calls For Calm in North Korea"]

[FBIS Translated Text] Seoul — During his visit to South Korea, Netherlands Prime Minister Kok yesterday appealed to North Korea to refrain from any activities which could increase tension on the Korean peninsula.

In his after-dinner speech at President Kim Yong-sam's state banquet, Kok expressed the hope that the authorities in Pyongyang would respect the truce agreed in 1953. North Korea wants to convert the truce into a peace agreement with the United States.

During Kok's visit to South Korea it was announced that the Netherlands is to grant North Korea 600,000 guilders [f] in humanitarian aid. "In order to ensure that

the food this purchases actually arrives in the mouths of hungry North Koreans, the aid is being channeled through the Red Cross," the prime minister said after meeting with South Korean President Kim Yong-sam on his second day in Seoul.

It is feared that humanitarian aid money is used to feed the 1.1 million troops in the North Korean Army. Or that it is put to another incorrect use.

South Korean newspapers today reported that Pyongyang had purchased no food for its hungry population with the \$230 million received from foreign insurers in compensation for last year's floods. What exactly North Korean leader Kim Jong-il did do with the money is not clear.

Prime Minister Kok also announced at a packed press conference that The Hague is to contribute fl million to the international consortium which is to build two light water reactors in North Korea. Pyongyang has closed down its nuclear program in return.

The main purpose of the official four-day visit by the prime minister and his Secretary of State Van Dok, responsible for foreign trade, is to strengthen economic ties between the Netherlands and South Korea. The prime minister is accompanied by 40 Netherlands businessmen.

Trade between the two countries grew by 35 percent last year, to \$2.6 million. Recent years have seen a particularly dramatic increase in exports of Netherlands-built machines for memory chip production. With companies such as Samsung, Hyundai, and LG, South Korea is at present the world's leading producer of memory chips.

"After the United States and Japan, the Netherlands is the biggest investor in South Korea with \$1.3 billion of direct investments," Ambassador J.P.M. Wolfswinkel said. This figure is somewhat optimistic as, due to favorable tax legislation, many foreign companies channel their investments through a holding company based in the Netherlands.

Although the South Korean conglomerates, better known as the "chaebol," are building foreign factories like crazy, they have so far given the Netherlands a miss. Six years ago the picture was very different. Then it seemed certain that a large number of South Korean companies would jointly build a large Korean trade center in Amsterdam. The new head office of ABN-Amro bank is soon to be erected on the site.

Prime Minister Kok yesterday stressed on more than one occasion that the Netherlands offers an excellent location for South Korean factories, distribution centers, and regional offices for the European market. As proof

of the good relations between Seoul and The Hague, the prime minister extended an invitation from Queen Beatrix for President Kim Yong-sam to pay an official visit to the Netherlands next year.

Next spring Kok will be paying an official visit to Japan, the prime minister announced in Seoul yesterday. Plans for the visit are still in the very early stages. The visit, which will last for just a few days, is at present set for November. There have not yet been any discussions with Japan on the program.

ROK, Netherlands Agrees on Defense Industry Cooperation

SK1206032796 Seoul YONHAP in English
0210 GMT 12 Jun 96

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — South Korean Vice Defense Minister Yi Chong-lin and Anneke Van Dok, the Netherlands' minister for foreign trade, signed a declaration of intent Wednesday [12 June] on defense industry and logistical cooperation the Defense Ministry said.

The ministry said that with the declaration, the two nations will promote mutual cooperation in the development of weapon systems, arms production and supply and logistical support.

The two nations will also expand mutual cooperation in the warranty of the quality of weapons produced, exchange of technical data and joint export of weapons to third countries.

They will also actively study the conclusion of basic memorandum of understanding on defense industry and logistical cooperation, the ministry said.

ROK: Agreement Made With EU on Framework Pact, Political Ties

SK1106134196 Seoul YONHAP in English
1139 GMT 11 Jun 96

[FBIS Transcribed Text] Seoul, June 11 (YONHAP) — South Korea and the European Union on Tuesday [11 June] agreed on the Korea-EU framework agreement and a Korea-EU declaration on political cooperation.

Choe Hyok, Foreign Ministry director general for international trade, said the agreement came at the 7th Korea-EU high-level consultative meeting held at the Foreign Ministry in Seoul.

The two agreements will be signed during the Korea-EU ministerial meeting slated for coming October in Brussels, Choe said.

The framework agreement, consisting of a preamble and 27 articles, provides for close cooperation in the

areas of economy, trade and culture, while the political declaration stipulates stepped-up cooperation in the political and economic sectors between the two sides.

"With the agreement, South Korea has laid a basic groundwork for expanding partnership relations with the European Union in the areas not only of economy and trade but also of politics and national security," a Foreign Ministry official said.

South Korea was represented at Tuesday's Korea-EU meeting by Director General Choe and the EU by Percy Westerlund, director for Far Eastern countries, European Commission.

The meeting also decided to hold a seminar on Korea-EU cooperation in Seoul on Oct. 7 this year as a means of bolstering bilateral relations and to promote the training of EU industrialists in South Korea as recommended by the Korea-EU Wiseman Club.

In other steps, the Seoul talks agreed to promote the conclusion of a Mutual Recognition Agreement (MRA) that, when signed, would better facilitate the advancement of automobiles, electronic communications gear, electronic goods and communication tools to each other's markets.

The two sides further decided to promote joint research projects in the area of scientific technology such as knowhow on nuclear fusion.

At the meeting, Korea in particular urged the EU to be more careful in assessing dumping margins on South Korean products.

In response, the EU promised to hold briefing sessions in Seoul and Pusan in coming October on the EU's anti-dumping system, Director General Choe said.

The EU, in its part, asked Korea to lower the existing 100-percent liquor tax on British- and Irish-made whiskey, ease quarantine inspection of livestock and vegetable goods, expand auto imports, and ensure the retrospective protection of intellectual properties, Choe said.

ROK: Korean Air To Refurbish U.S. Air Force F-16 Fighters

SK1206014496 (Internet) The Joong-Ang Ilbo WWW
in English 12 Jun 96

[FBIS Transcribed Text] Korean Air won a 10 million dollar contract from the United States Air Force to refurbish its F-16 fighters in the Pacific region (for the 5-year period from 1996 to 2001).

Korean Air announced Monday [10 June] that it has won the contract through public bidding, the first project the U.S. Air Force has offered to foreign companies.

The contract calls for Korean Air to extend the flight service hours of F-16 C/D fighters from the current 3,000 to 8,000. Korea Air will carry out precision reinforcement work on the fighters until the year 2001.

ROK: No Tae-u 'May Have Instructed' Troop Deployment at Capitol

SK1306090296 Seoul YONHAP in English
0847 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — Former president No Tae-u virtually admitted Thursday [13 June] that he personally ordered troops deployed to the capitol office building when the cabinet met on May 17, 1980 to discuss expanding martial law nationwide.

No's testimony contradicted his earlier statement to prosecutors, and was made during cross-examinations by his lawyers in the 13th session of the trial of the 1979 military coup and 1980 Kwangju massacre at the Seoul District Court.

"I knew that the major commanders' meeting was to discuss the nationwide expansion of martial law at noon, May 17, 1980," No testified. "Since the matter had to be approved by the cabinet, I anticipated that a cabinet session might be held late that afternoon."

"I may have instructed that troops be deployed to the 30th Security Guard Brigade commander and provost marshal during tea time that morning."

The deployment of troops to the area surrounding the capitol building and cabinet session room that day, he said, was not to intimidate cabinet members, but to guard the conference room and safeguard the ministers in accordance with martial law regulations.

No also denied that the deployment of troops to the cabinet session site was done at the request of then Major Gen. Chon Tu-hwan.

ROK: Economic Institutes Predict Increase in ROK Deficit

SK1206023796 (Internet) The Digital Chosun Ilbo
WWW in English 1205 GMT 11 Jun 96

[FBIS Transcribed Text] The private and governmental institutes readjusted their forecast on the economy saying that the current deficit will sharply increase to the \$10 billion range and that it is expected that the growth of the GDP will fall slightly.

Daewoo's Economic Institute forecasted the largest increase in the deficit, readjusting their figures of the

current deficit from \$7.7 billion to \$10.9 billion. Other institutes also readjusted their figures. The Finance Institute increased its figures from \$7.03 billion to \$9.82 billion, the LG Economic Institute readjusted from \$5.7 billion to \$9.7 billion, KIET, a government organization, from \$7.3 billion to \$8.793 billion, and Hyundai Economic Social Institute estimated a figure of \$8.0 billion, but if exports continue to experience slow growth, they forecasted an increase to \$9.0 billion.

KIET readjusted the growth rate of the GDP from 7.4% to 7.1%, the Finance Institute from 7.4% to 7.2%, the LG Institute from 7.4% to 7.1%, and Samsung Economic Institute from 6.8% to 6.2%. Hyundai Economic and Social Institute originally forecast that the GDP will increase from 7.0% to 7.3% and Daewoo 7.0% to 7.1%, but they revised their figures and predicted that rates will drop to 6% in the latter half of the year.

ROK Ministry Expects 'Record High' Current Account Deficit

SK1206023896 Seoul THE KOREA HERALD
in English 12 Jun 96 p 8

[FBIS Transcribed Text] Korea's current account deficit is expected to hit a new record high of \$9.8 billion this year, the Korea Institute of Finance said yesterday.

The anticipated figure exceeds the government's earlier target of a \$6 billion deficit in 1996 and the previous record high of \$8.9 billion marked in 1995.

Releasing its analysis of the reasons behind the nation's snowballing current account deficit and its prospects, the institute said that Korea is likely to suffer from uneasy commodity prices and higher interest rates in the latter half of 1996 due to the massive amounts of current account deficit.

Noting that the total demand control policy may bring about such negative factors as a sharp drop in economic growth and a surge in interest rates, the institute suggested that the government refrain from employing the policy as a means of improving the nation's current balance.

Reducing the current account deficit by some \$4 billion, for instance, will require a 2.5-3 percent decline in the economic growth, a 0.8 percent hike in the inflation rate for consumer prices, a 70 percent drop in total investment and a 80 percent plunge in domestic consumption, it forecast.

The institute said the nation's widening current account deficit stems not from the steep decrease in the total export quantity but from the decline in export unit prices.

Other key factors behind the worsening current balance are the weakened price competitiveness of Korean-made products on international markets resulting from a weak Japanese yen and the weak demand for Korean products stemming from the world's slowing economy, it said.

Meanwhile, it predicted that market interest rates would go up to an annual 11-12 percent in the latter half of the year, mainly because of the rising demand for operational funds by most domestic enterprises suffering from accumulated stockpiles.

To effectively reduce the current account deficit, it recommended the government implement limited expenditure management policies, including the expansion of infrastructures, while refraining from employing active policy intervention.

ROK Minister Na: Curbing Current Account Deficit Top Priority

SK1206024096 Seoul THE KOREA HERALD
in English 12 Jun 96 p 8

[FBIS Transcribed Text] The government will place its top economic policy priority on minimizing the growing current account deficit in the second half of this year, Deputy Prime Minister Na Ung-pae said yesterday.

Briefing President Kim Yong-sam on the current economic situation, Na reported that the most urgent task of the Korean economy is to curtail the current account shortfall.

To that end, the government will focus on broadening the base of domestic export industries rather than depreciating the Korean currency or conducting a tight monetary policy, said Na, who is also minister of finance and economy.

Noting that Korea's exports depend heavily on just a few sectors, a structure vulnerable to external changes, the top economic policymaker said that efforts will be made to develop a range of competitive export items.

The government will also concentrate its policy efforts in boosting the competitiveness of small- and medium-sized exporters, and developing the local tourism industry he reported.

Korea's current account deficit, or the trade deficit plus the invisible trade gap surged to \$6.56 billion in the January-March period alone, well in excess of the government's maximum target of \$6 billion for this year.

However, Na said that the government is not considering raising the won-dollar exchange rate or shrinking the money supply since such steps will entail several side effects.

The business community has called for lowering the value of the won against the dollar, which will make Korean exports cheaper in overseas markets and thus boost the nation's exports.

The Korean corporate community has contended that Korean products have lost their price advantage over Japanese exports because of the strength of the won against the dollar relative to the yen-dollar exchange rate.

But the government has drawn a line at the demand, saying that raising the won-dollar rate would render imports more expensive and thus build inflationary pressure.

Price stability is also on top of the list of the government's policy objectives for this year. The government plans to maintain this year's inflation rate at below 4.5 percent.

ROK: Diplomats To Receive VAT Refunds

SK1206053396 Seoul YONHAP in English
0447 GMT 12 Jun 96

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — Foreign diplomats in South Korea will be able to receive up to a 1 million won Value Added Tax (VAT) refund annually beginning Saturday (8 June) if they purchase goods or services in the Lotte, Sinsegye and Midopa Department Stores, the Foreign Ministry said Wednesday.

Out of the total 88 foreign missions in Seoul, 35 missions, however, will be excluded from the VAT exemption measure for diplomats as the ministry applied the principle of reciprocity, a ministry spokesman said.

Diplomats must purchase more than 50,000 won in goods or services at one time to be eligible for the VAT exemption, he said.

The ministry will settle applications for the VAT refund four times (January, April, July and October) a year, he said.

ROK Article Views Ministry's Decision on PCS Providers

SK1106042296 Seoul THE KOREA TIMES in English
11 Jun 96 p 8

[By staff reporter No Chun-hun]

[FBIS Transcribed Text] All the talk about who will eventually be selected to provide personal communications service (PCS) bore down to who actually had the best technology, something that had been conspicuously absent in the past.

In actuality, the question of who was best qualified was constantly overshadowed by other factors, such as the ties of businesses to leading political figures.

In the previous administration, the selection of the Sunkyoung Group to undertake the second cellular phone service fell apart because Sunkyoung chairman Choe Chong-hyon was related by marriage to then president No Tae-u.

Similarly, there has been much controversy concerning applications by the LG Group and Evernet, a joint venture between the Hyundai and Samsung Groups, with speculation that the government had already made its decision.

In the end, it was the LG Group, a pioneer in code division multiple access technology, that came up the winner, and the nation's two other leading business groups have been left to grapple with what they are to do next.

One official of Hyundai Electronics Industries said, "Because we are manufacturers of hardware, we expect to have abundant opportunities to take part in related projects in the future."

As far as telecommunications projects are concerned, the PCS business is second only to the cellular phone service, which saw enormous competition in the early 1990s.

The PCS business is described by many as the goose that lays golden eggs, but there have been others who contended that it will not be as lucrative as everyone expects.

For one thing, the rates for the PCS services will not be anywhere as expensive as those for cellular services, and even the terminals will be priced at rock bottom.

Still, one of the major concerns of the project has been that it will form the cornerstone of future telecommunications businesses, thus forcing leading business groups to do what is necessary to win the project.

"We recognize that the provision of PCS services may not be a money-making machine. However, it is where the industry is headed, and we need to be in the leading position," one Samsung official said.

Despite not having been selected for the project, Samsung is expected to continue its research and development to ensure that it is in a position to focus on such related businesses as multimedia.

In another aspect, the selection of the LG Group further sets apart the position of the LG Group as the third largest conglomerate in the country, pushing aside the Daewoo Group.

While Daewoo has more assets than LG, it has been losing ground in terms of turnover. Daewoo did not even take active part in the PCS business, just as it has been left out in the cold in semiconductors.

Even though Samsung was not selected, it can take some comfort in the fact that the Hansol Group, a spin-off from Samsung, was selected as the non-hardware manufacturing licensee of PCS businesses. There had been long discussions of Hansol's legitimacy in participating in the project because of its indirect affiliation with Samsung, but its continued dedication to the business bore fruit yesterday.

As in the case of cellular phone services, the licensing itself will have little implication if the enterprises concerned are not able to make the best of it.

Long before yesterday's announcement, industry observers speculated that business groups like Hansol will have a tough time living up to expectations because of their financial situations. Participation in the business will mean enormous investments, and Hansol will also have to deal with a number of regulations, such as limiting ownership of outside sources in its equity.

Whatever the case, the most important aspect of the business is that the companies which have thus been selected will have to provide the best possible services for the benefit of consumers.

The first round of competition, judged by the government, is now over. What remains is what the consumers will see in the quality of the licensees. This, after all, is the most important aspect of the project.

ROK Article Views Effects of PCS Decision on Industry

SK1106042896 Seoul THE KOREA HERALD in English 11 Jun 96 p 9

["News Analysis" by "YCM": "LG Seeks No. 1 Post Thru PCS Business"]

[FBIS Transcribed Text] The domestic corporate ranking is likely to undergo a drastic change over the next decade with the licensing of the LG Business Group as a countrywide personal communications service (PCS) carrier.

The PCS business is often compared to a "golden egg-laying goose," which will produce hundreds of billions of won in net profits in the next decade. The PCS service is likely to lure more than 2 million subscribers here by 1999, 3 million by 2000 and 10 million by 2005.

Throughout this year's telecom-licensing war, LG had waged the most fierce battle with the Samsung-Hyundai

joint forces to win the countrywide PCS license, finally coming off victorious.

LG sees the PCS license as a spring-board to jump ahead of Samsung and Hyundai to the post of Korea's No. 1 business conglomerate in the 21st century.

Industry analysts interpret that the PCS license means the first-phase success of LG Chairman Ku Pon-mu's new management motto, named "Jump 2005," which calls for making LG Korea's No. 1 group by the year 2005. LG officials say that the PCS license will considerably contribute to making the Jump 2005 strategy a success.

Aware of such a tremendous growth potential of the PCS business, the Samsung and Hyundai groups had also made desperate efforts to defeat LG, but eventually tasted a bitter defeat.

Hyundai and Samsung, currently the nation's largest and second largest groups, will be inevitably forced to stand on the sidelines in the forthcoming info-communications era.

In fact, rumors have long been widespread that the LG Group is destined to obtain the PCS license under the current political and business circumstances.

Such rumors were based on the fact that Samsung has already obtained a license to jump into the automobile-manufacturing business from President Kim Yong-sam's government. Samsung's PCS partner Hyundai has also been paying more attention to capturing a license to enter the steel-making industry.

On the contrary, the LG Group has no record of moving into a new business field over the past decade. Partly for that reason, the PCS license was a life-or-death problem to LG.

"Considering the government's strong willingness to head off economic dominance by a few super conglomerates, the Samsung-Hyundai consortium was placed in a more disadvantageous position from the start," said a local analyst, who requested anonymity.

"Now, Samsung and Hyundai should mull over how to deter the strong challenge from the LG Group," he said.

Minister of Information and Communication Yi Sok-chae has actually hinted that it is not desirable for two super conglomerates to join hands under the Korean circumstances.

In the PCS non-equipment maker group, meanwhile, analysts note that Dacom played an important role in leading the government to give bigger scores to its partner, the Hansol Group.

ROK: LG President Urges Developing Projects in Mekong Basin

SK1206064196 Seoul THE KOREA HERALD in English 12 Jun 96 p 8

[FBIS Transcribed Text] Korea should select at least two huge development projects or more in the Greater Mekong Subregion (GMS) on a governmental level and provide extensive support for private contractors, said a business executive surveying the region.

While it is imperative for the Korean businesses to preempt major GMS projects in view of its great development potential, most of these mammoth projects will entail high risks, said Pak Su-hwan, president of LG International Corp., while explaining the reason for the governmental-level intermediation.

Pak is now heading a survey mission of the six Mekong basin countries dispatched by the Federation of Korean Industries (FKI), an interest group for large conglomerates, or chaebol.

"GMS should become our 'area focus,'" [quotation marks as published] said Pak, stressing the region's importance as the Korean firms' target markets.

Meeting with accompanying reporters Tuesday [10 June], the LG International's CEO cited three areas—transportation, energy and telecommunications—as most promising for Korean firms' participation in the region, which include Thailand, Laos, Cambodia, Myanmar [Burma], Vietnam and China's Yunnan Province.

"Particularly, the Korean firms will find hydropower generation, road construction and telecommunications as having the greatest business potentials," he was quoted as saying.

He suggested that the government select huge infrastructure projects in ports, roads and railway construction and grant aids to related countries so that Korean firms can utilize the financing.

Noting that the Seoul government has provided economic aid of \$1.5 billion to Russia under a similar situation, Pak called for the government to expand its EDCF (Economic Development and Cooperation Fund) loans as well as lending on exports on a deferred-payment basis.

ROK To Import 227mm Multiple Rocket Launcher Systems

SK1306071296 Seoul YONHAP in English 0707 GMT 13 Jun 96

[FBIS Transcribed Text] Seoul, June 13 (YONHAP) — South Korea will import 24 40km-range 227mm multi-

ple rocket launcher systems (MRLS) for deployment by 1999 at the latest, Defense Ministry sources said Thursday [13 June].

The acquisition of the new artillery weapons will be reflected in the defense budget for next year, the sources said. They, however, refused to say where the weapons will come from.

An MRLS has 12 launcher tubes and is thus capable of firing 12 rounds within a minute, with the built-in computer-aided ammunition charge and fire control systems, and the 24 systems can fire 288 rounds per minute, enough to destroy a 675-meter by 600-meter area at a distance of up to 45km. [sentence as received]

When deployed, the MRLS will greatly strengthen the Republic of Korea (ROK) Army's firepower, along with the newly-developed 40km-range 155mm self-propelled artillery which was successfully test-fired recently, a source said.

Mounted on wheels, the MRLS can maneuver at a maximum of 64km an hour and cover a slope of up to 60 degrees.

At present, the ROK Army is equipped with 20km-range 130mm multiple rocket launchers, and these will be replaced by the imported 227mm MRLS.

The North Korean Army now has 70km-range 240mm multiple rocket launchers.

The Defense Ministry is reportedly planning to acquire 24 more 40km-range 227mm multiple rocket launcher systems.

ROK: Opposition Still Blocks National Assembly Speaker Election

SK1206135096 Seoul YONHAP in English
1254 GMT 12 Jun 96

[FBIS Transcribed Text] Seoul, June 12 (YONHAP) — The National Assembly resumed its plenary session Wednesday [12 June] afternoon but failed to select the speaker and vice speakers in lingering confrontation between the ruling and opposition parties.

The session resumed at 2:30 pm under the chair of Acting Speaker Kim Ho-nam of the United Liberal Democrats. However, the session could not elect a speaker and two vice speakers as 24 legislators sought to speak.

Around 4:40 pm as solons were taking turns to take the rostrum to speak, Acting Speaker Kim declared a recess, saying his health condition was not good due to cold.

Kim, who was serving as acting speaker because he was the oldest among the legislators, soon offered to resign

as acting speaker. By law, the next oldest solon, Kim Myong-yun of the ruling New Korea Party, was to be new acting speaker.

The session resumed around 8:30 pm but opposition lawmakers have been preventing Rep. Kim Myong-yun from taking the rostrum as of 9:30 pm.

ROK Government Plans To Issue Electronic Resident Cards in 1998

SK1206014896 (Internet) The Digital Chosun Ilbo
WWW in English 1208 GMT 11 Jun 96

[FBIS Transcribed Text] The government decided on Tuesday [11 June] that it will issue electronic registration residents' cards in 1998 which will combine several purposes into one card, including registration, medical insurance, and a driver's license. They also announced their decision to create a diplomatic intelligence network which will connect all overseas diplomatic offices by 1999. To build such a comprehensive database of diplomatic information, they will put together all related information on diplomacy by the year 2000 and will expand the CALS system to medium and small-sized enterprises.

The government also plans to develop South Korea into one of the world's top 7 information-oriented countries. For this project, it will invest 10 trillion won by the year 2000.

ROK Unveils 15-Year Plan for Information, Telecom Promotion

SK1106065396 Seoul YONHAP in English
0634 GMT 11 Jun 96

[FBIS Transcribed Text] Seoul, June 11 (YONHAP) — The government unveiled a three-phase, 15-year master plan Tuesday [11 June] to develop the information and telecommunications industry in a manner that will result in building on-line networks, including Integrated Services Digital Network (ISDN), that are available to people of all walks of life.

Under the plan adopted by the Information Industry Promotion Committee at a meeting chaired by Prime Minister Yi Su-song, the government will invest about 10 trillion won (12.7 billion U.S. dollars) in information and telecommunication infrastructure, including an information superhighway, and other projects in the first phase ending in the year 2000.

The information superhighway, for example, will be extended to some 7,000 schools at all levels, or 70 percent of educational institutions, as well as to 100 percent of research institutes, 60 percent of government

agencies, 50 percent of hospitals and 90 percent of industrial facilities in the country.

The second phase (2001-2005) will focus on expanding on-line networks to homes and industrial facilities and the final phase (2006-2010) will further expand the networks to all other sectors of society and making the country a major international information hub.

ROK: Korea Telecom Announces Support Plan for World Cup Effort

SK1106073396 Seoul YONHAP in English
0711 GMT 11 Jun 96

[FBIS Transcribed Text] Seoul, June 11 (YONHAP) — Korea Telecom announced Tuesday [11 June] an overall communications support plan for media coverage of the World Cup 2002, designed to establish a multimedia center to facilitate high-definition television broadcasting based on international standards.

The communication giant said the envisioned multimedia center is going to combine the functions of an international broadcasting and main media center, which were set up during the Seoul Olympics.

According to the plan, Korea Telecom will provide specific support to authorized media broadcasters if requested, including broadcasting equipment, satellite communications lines, and relay facilities.

The company is prepared to provide all types of support, including a jointly operated reservation service center for authorized primary media with production facilities and services for the electronic media.

Media personnel covering World Cup matches will also be able to file their reports, including films directly from the stadiums through integrated service digital network, pay phones, or mobile telephones for international calls available at the stadiums.

Korea Telecom is prepared to extend any kind of support for computer communications systems that might be installed by the organizing committee, especially data base, to make it the best computer system ever established for the world cup finals.

The company will allocate a total of 40,000 communication lines, including 16,000 for the event, 14,000 for media broadcasting, and 10,000 lines for general use.

Burma

Burma: Article Examines 'West-Tutored Political Defiance'

BK1206140296 Rangoon MYANMAR ALIN
in *Burmese* 9 Jun 96 p 5

[Article by Di Hlaing: "Doesn't Know It's Flattery When Being Flattered"]

[FBIS Translated Excerpt] The West-tutored political defiance acts include sending envoys, but who will accept an envoy who is not respectable? When an envoy is accepted, it is not for cooperation but to engage in a dispute. If they cannot do that, they will then withdraw their envoy.

Nonviolent struggle includes awarding scornful prizes, like presenting an aluminum bowl. It is not good to say, but awarding prizes all the time makes them cheap and has adverse effects.

Hoisting multicolor flags are old UG [Underground] tactics. Communists used the color red liberally, and there are some people who still cherish that color. During the disturbances [in 1988], people wore all kinds of fashion and designs. The traditional Pinni [light reddish brown color] shirt or blouse and Kachin longyi [sarong] is still popular today [the uniform of the National League for Democracy party].

Writing graffiti is part of the nonviolent struggle. A U.S. teenager was caned for a similar offense in Singapore. Writing graffiti is not vandalism but political defiance. There are also other rude physical acts too.

Personal intimidation of government officials is part of the strategy but, dear sister, that cannot be used against defense services personnel. They grew up among bombs and gunfire and are not afraid. Though she said they should be patronized, to be alert in dealing with them, and to use pretense, her followers do not heed her warnings.

They use intimidating humor, jokes, songs, and planned public processions for religious occasions. Using religion for political gains is a very dirty trick. The little follower appeased her big white master by going on a pilgrimage. She not only paid homage to the abbot, but also had a picture taken with him. The pictures sold like hot cakes.

Another strategy is a procession of cars. During the disturbances, there were processions of cars in which the national flag was hoisted upside down.

One of Jean Sharp's [of the Albert Einstein Institution of Cambridge, Massachusetts] tactics is to pay respects to the dead by displaying political grief, mock funerals,

and memorials at cemeteries; for example, the ceremony at the white bridge and the laying of wreaths at the Myenigon traffic junction [both places in Rangoon where students and people were allegedly shot by riot police during the 1988 disturbances].

What was done during the disturbances and what is being done today are all UG methods and those that have been taught by Jean Sharp. [passage omitted on media influence, explaining and comparing tactics with James Bond and Rambo movies]

The effective use of media influence depends on famous actors. The Western media—magazines, radio, and television—has targeted Myanmar [Burma] with overwhelming concoctions and fabrications.

The West has defined political defiance, which is a modification of UG methods, as confrontation.

As Jean Sharp desires, people must gather in public, whether to support or denounce a cause. This is easier among the Burmese people, who are not afraid of Section 144 [against illegal gathering]. When pockets of people gather, vendors also become active. Antigovernment meetings similar to those held during the disturbances should be held.

There is a retreat and withdrawal method. A prominent example is the withdrawal from the National Convention. Another tactic is to remain silent. It is an old psychological warfare method, but it could not be used in Myanmar because the lady student and her group could not keep their mouths shut.

Some tried to persuade people to return their state titles and awards—the Nainggangonyi and Mawgun titles—during the disturbances, but how many did? Although the people are encouraged to defy the government, human beings could not be alienated from society.

Another tactic is social isolation—rejecting people they do not like. People should not participate in government-sponsored social functions, religious or otherwise. They should not attend road inauguration ceremonies, should not take part in public activities, and should not interfere with destructionists. The non-prevention of destructive and anarchic activities during the disturbances is really the West's method.

The government's social activities should be ignored, and nothing good should be uttered. That is why nothing is mentioned about the education and health sectors. Item 59 of Jean Sharp's nonviolent struggle plan notes backing down on religious matters. Well, at present people are making donations like never before and contributing voluntary labor for the construction of pagodas and religious buildings. Have the white man's

daughter-in-law's group said sadu [word of approbation in Pali] once?

The West group's nonviolent technique of bringing down dictatorship to achieve democracy is really a confrontational method. They provide assistance through the media, which is much cheaper than supplying arms. They only need someone who will act as they wish.

The white man's daughter-in-law's group does not know it is flattery when they are being flattered. When an award is presented to her she gets flattered. They are all exalting each other, and they think they are democratic heroes. Although they are shouting that the people need democracy from the top of their voices, they are being blinded.

In fact they are making fools of themselves by not knowing it is flattery when they are being flattered.

Burma: Pro-SLORC Rallies Held in Shwegu, Pyapon 2 Jun

BK1306070896 Rangoon TV Myanmar Network in Burmese 1330 GMT 12 Jun 96

[FBIS Summary] A rally to support the State Law and Order Restoration Council's [SLORC] national constructive development works and to denounce "destructionists" was held at the Township Sports Grounds in Shwegu on 2 June. The rally was attended by more than 25,000 people.

U Nyunt Shwe, township education officer, acted as chairman of the rally. Addressing the rally, he reiterated SLORC's role in maintaining peace and stability and praised its endeavors. He noted SLORC's efforts "to bring about genuine democracy" and claimed "unheard of and unparalleled successes have been achieved in the rule of law at present".

After the chairman's address, U Hla Shwe from Myoma Ward proposed a motion to support the SLORC's national constructive development works and to denounce "destructionists". The motion was seconded by Daw San San Oo from Sainggon Ward and people attending the rally. It ended with the supporters chanting slogans.

A similar rally attended by more than 20,000 people was also held in Pyapon on 2 June.

Burma: Election Commission Accepts Resignation of NLD MP

BK1206150096 Rangoon Radio Myanmar in Burmese 1330 GMT 12 Jun 96

[FBIS Translated Text] U Thint Lwin of the National League for Democracy [NLD], who was elected as a People's Assembly representative from Pinyinana

Township Constituency-1, Mandalay Division, has submitted his resignation as elected representative of his own free will. The Multiparty Democratic General Election Commission has accepted his resignation in accordance with Section 11, Subsection E of the People's Assembly Election Law.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Ministry Probes Singapore's Airspace 'Violations'

BK1206103396 Kuala Lumpur WATAN in Malay 11 Jun 96 p 6

[Unattributed report]

[FBIS Translated Text] Kuala Lumpur, 10 Jun — Defense Minister Datuk Syed Hamid Albar has said that he has directed the Ministry of Defense to conduct an investigation into alleged airspace violations by several of Singapore's military fighter jets even though no official reports have been filed.

According to the defense minister, the ministry views the issue seriously because it involves the strategic interest of the country's security regarding its airspace and the public interest.

He said all reports, records, and other relevant matters connected with the issue will be reviewed prior to taking any action, including a careful review of similar previous cases.

Speaking to reporters after presenting awards at a ceremony here today to recipients of the jointly sponsored UTUSAN MELAYU-Public Bank Literary Award, he said: "All forms of action to be taken will be based on facts, on the outcome of reports and evidence in connection with the issue."

Asked whether such actions had been deliberately carried by the Singapore Government, Syed Hamid expressed his hope that it had not done so deliberately.

He said it was important to carefully review such issues, given the possibility that the altitude of the alleged aircraft could have created concern among the local people.

He added that the existing good relations between the two countries will be taken into consideration in determining the action to be taken, while all evidence regarding this issue will be settled through existing diplomatic channels and previous agreements.

Malaysia: Daily Views Singapore's Lee Merger Remarks

BK1206093096 Kuala Lumpur BERITA HARIAN in Malay 10 Jun 96 p 10

[Editorial: "Lee Kuan Yew's Intention Should Be Clear"]

[FBIS Translated Text] The question of Singapore rejoining Malaysia has unexpectedly emerged after Lee Kuan Yew's address at a dinner hosted by the Singapore Press Club on Friday night. Senior Minister Lee said Singapore could possibly rejoin Malaysia but only under certain conditions. Among other things, Malaysia should practice meritocracy, which is what Singapore is doing, i.e. not extending privileges to any particular communal group, apart from developing the economy for the maximum benefit of its citizens. Responding, Prime Minister Datuk Sri Datuk Dr. Mahathir Mohamed stressed that Singapore's intention to rejoin Malaysia could only be considered after all the country's races have attained similar levels of know-how and the ability to compete. As for us, Dr. Mahathir's response is a clear indication that Lee's conditions are unacceptable. The two sides should accept the fact that Malaysia has its own policies drafted in the interest of its own people. We also believe that Singapore also has its own policies and does not want any external party to determine them.

Malaysia does not have any problems in connection with its policies presently. On the contrary, Malaysia is continuing to progress and competing with the international community. If a study were done on asset ownership, foreigners are still owners of capital in Malaysia. No foreign businessman has yet to complain about Malaysia's policies as having hindered investments.

Lee's answer was perhaps an offhand one to an unexpected question. However, on examining his language, we believe that he already had previous thoughts about it. We sincerely hope that he has considered how the merger would benefit the people, in terms of the races living in Singapore and Malaysia. The only existing difference between the two countries is its population structure. Moreover, the senior minister was directly involved in Singapore's separation from Malaysia. However, we hope his intentions could be made clear. If Lee feels that there is a need for an early discussion to facilitate Singapore's entry, he could definitely use his influence, especially among Singapore's leaders, for this. Whether there is any benefit to merging both countries through talks soon or otherwise, will greatly depend on the situation. We believe that if formal discussions can begin now, then compromises on certain issues could be achieved. Differences could at least be narrowed down in the next few years. However, if he was just giving

his views, then we believe that the present conditions are not conducive.

We also fear that if Lee was merely giving his views without taking any initiative, then his statement could be misinterpreted. We know that both Malaysia and Singapore have different policies and this would enable certain groups to misinterpret Lee's message.

However, in order to be more objective, we need to ponder on the conditions that have been raised which may be too heavy, at least for the present. As such, we believe that an appropriate time for a merger will come when a final compromise is achieved. Malaysia will also have conditions the republic should comply with. The question is whether the republic's citizens can accept them. As for us, conditions and counter conditions are normal in any meeting.

Before any conditions are raised, we need to look at the overall scenario and political background of the two countries. We believe that Singaporeans understand this situation as their Malaysian counterparts do. Ties between Malaysia and Singapore are very close. Both Malaysians and Singaporeans visit each other's countries often. The two countries also frequently exchange views on administration. Despite the existence of strong factors that could possibly unite them, we also need to look at other priority areas.

Malaysia: SRV Trawlers Detained for Illegal Fishing

BK1106022796 Kuala Lumpur THE STAR in English 10 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuantan — The Royal Malaysian Navy patrol unit detained two Vietnamese trawlers for illegal fishing in Malaysian waters on Saturday.

A statement released yesterday reported that KD [royal ship] Kelewang intercepted the two vessels about 145 nautical miles north-east of Terengganu.

KD Kelewang was on its routine patrol duties at the Exclusive Economic Zone when it detected the boats on June 8 at 2pm [0600 GMT]. The statement said the crew of 23, aged between 18 and 51, were sent to the Terengganu Fisheries Department at Kuala Kapas yesterday for further action.

Malaysia: Peacekeeping Unit Returns From Bosnia
BK1306100196 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 13 Jun 96

[FBIS Transcribed Excerpt] Another unit of the Malaysian peacekeeping force returned safely from Bosnia after serving seven months in the Balkan state. The third batch of the Malcon-IFOR One [Malaysian Contingent-Implementation Force] arrived at the Subang Air Force base at 0730 this morning.

The 302 members of the peacekeeping force were welcomed by Major General Datuk Paduka Ghazali Ibrahim, commander of the Army Training Headquarters. The Malcon-IFOR One, led by Major Noor Mubarak Mohamed Som, is the first Malaysian peacekeeping contingent in Bosnia.

In his address, Maj. Gen. Ghazali said the returning personnel should make use of their overseas experience and urged them to strengthen their ties with their families who had made sacrifices during their absence. [passage omitted]

Malaysia: Minister Casts Doubts Over Al-Arqam Leader's Sincerity

BK1006100896 Kuala Lumpur THE STAR in English
10 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Shah Alam — Deputy Home Minister Datuk Megat Junid Megat Ayob said he doubted the sincerity of former al-Arqam leader Ashaari Muhammad who said he has no intention of reviving the banned movement.

"I hope it's (Ashaari's statement) true. I am thankful that Ashaari says he is not involved in any revival, but what I see is that their (al-Arqam) practices have not changed.

"The only thing that has changed is the colour of their clothes," Megat Junid told reporters yesterday after attending the Immigration Department's "Family Day." [passage omitted covered by referent item]

Megat Junid said "it is not impossible" for Ashaari to be aware of the move to revive al-Arqam because his own family members were arrested.

"His statement yesterday (Saturday) has helped but I only hope that it was made with honesty and sincerity," said Megat Junid who had originally urged Ashaari to tell his former followers to drop attempts at revival.

In Kuala Lumpur, Pusat Islam [Islamic Center] director-general Brigadier General Datuk Abdul Hamid Zainal

Abidin said yesterday that the second phase to reform former al-Arqam-members would start next month.

The nationwide programme starting in the Klang Valley — the first to be held at Pusat Islam — would be "intense" as it would test the sincerity of the movement's members.

"The programme this time will be more of a mind-opening session involving discussions between former members and officials.

"From there we'll try to convince them to return to the true akidah (faith)," he told THE STAR.

Abdul Hamid said the previous approach did not work because the al-Arqam followers were blinded by their adulation of Ashaari.

"That was the biggest barrier we faced. They may come for rehabilitation but their minds were closed.

"This time we will see their response and we will know whether they want to be rehabilitated," he added.

He also said the government had given them two years but they failed to show their seriousness in wanting to repent.

"Perhaps they thought the government is not serious.

"Now we have indications of their efforts to revive the movement. They cannot fool around with something which deals with akidah."

Malaysia Rejects Establishment of Al-Arqam-Style School

BK1206121896 Kuala Lumpur WATAN in Malay
12 Jun 96 p 2

[Unattributed report]

[FBIS Translated Excerpt] Bangi, 11 Jun — Education Minister Datuk Najib Tan Abdul Razak has said that a group of former al-Arqam followers attempted to establish a school in Gemencheh, Negeri Sembilan early this year based on the movement's ideology.

He said the school, which took the name of a tuition center for preschool and third-year secondary school students, attempted last February to establish the center as a school in keeping with the ideology of the al-Arqam school in Sungai Penchala.

Speaking after the official opening of an international seminar on Islamic theology and philosophy at the National University here today, he said: "After an investigation was conducted by the State Education Department, the ministry decided to issue an order to the tuition center authorities to discontinue its operation

and to drop the proposal to set up a school because its registration had been rejected."

He added: "The ministry, the police, and the Negeri Sembilan Islamic Affairs Department will take appropriate action in an effort to ensure that the effort to establish the school is discontinued."

He said: "The students and children of former al-Arqam members will be asked to register at government schools to ensure that their educational and religious future are not obstructed."

He added: "They will receive a correct and necessary education and will follow the national education system. [passage omitted on movement banned two years ago for deviationist teaching]

Malaysia: Editorial Views Activities of Al-Arqam Sect

BK1306124296 Kuala Lumpur UTUSAN MALAYSIA in Malay 13 Jun 96 p 6

[Editorial: "A Lesson for All Al-Arqam Members"]

[FBIS Translated Text] Most people do not believe former al-Arqam leader Ashaari Muhamad's most recent statement that he is unaware of the effort by his former followers to revive the banned movement. It is unbelievable that Ashaari is unaware of the plan by his son, wife, and his devout followers to see the plan through while he remains their major source of reference!

Developments and the activities indulged in by former al-Arqam followers do not indicate that they have repented for their previous deviationist ways or for being misled along a wrongful religious path by their leader Ashaari Muhamad and some senior National Mosque religious officials.

Unquestionably, this situation has created difficulties for all parties, particularly for the National Security Council, which has painstakingly conducted investigations of the activities carried out by the banned movement. A total of 10 former senior al-Arqam followers are currently being detained by the government under the Internal Security Act (ISA) for trying to revive the banned movement.

Their undertakings and activities indicate that they want to create problems for the people, government, and the country's Islamic community.

The approach to the al-Arqam taken by the government is considered very disciplined because it does not seek to inflict any untoward resentment on the movement's followers or its leader. Throughout the country's history, the government had never taken such measures against any religious missionary group or religious cult leader.

History shows that such organizations are destroyed through acts of aggression. The leaders of such organizations destroy themselves or are eliminated by the government. Deviationist movements headed by leaders like Savonaroia, James Jones, and David Koresh underwent self-destruction instead of being destroyed by their respective leaders, who wanted to continue with their deviationist ways and obstinately did not want to return to the righteous religious path.

In Iraq and Egypt, the governments took punitive action against religious leaders who tried to create difficulties or chaos for the government and people. Sayed Qutub and Hassan Al Band are examples of two Middle Eastern leaders who were eliminated. Following this, their followers returned to the righteous and mainstream [preceding word in English] religious path and to society.

Nevertheless, the government has no intention of undertaking such an action against the al-Arqam because Prime Minister Datuk Sri Dr. Mahathir does not want to hurt anyone. The al-Arqam's actions indicate that the movement wants the government to take punitive action against it. Ashaari and his followers still consider themselves invincible.

If they were mature, they would be thankful for the humanitarian approach taken against them. Unfortunately, they have mocked and taken advantage of the government's kindness. The public is fearful of the al-Arqam's ploys regarding Ashaari's disavowing the open pledge he made previously.

Should such actions go beyond the limits and make it difficult to rehabilitate former members, then fresh action should be taken to make the al-Arqam leader and his followers aware of their wrongdoings and return to the right path. It should be remembered that no one can be blamed if the al-Arqam itself prefers that aggressive action be taken against the movement to try to solve its wrongdoings against the government and people.

Malaysia: Official Denies Coalition Plan With Opposition Party

BK0806132996 Kuala Lumpur THE STAR in English 8 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — UMNO [United Malays National Organization] vice-president Tan Sri Muhammad Haji Muhammad Taib denied yesterday rumours that the party would form a coalition with Parti Melayu Semangat 46 [Malay Party of Spirit 46].

He did not remember receiving any proposal from any Malay political party to join as UMNO's sub-component party, he said when commenting on speculation that Semangat president Tengku Razaleigh Hamzah was looking into the possibility of forming a coalition with UMNO.

"In my view, whoever wants to join UMNO should join as individuals," he told reporters after launching the Intellectual Development Institute (Inmind) Internet homepage.

"UMNO has agreed to allow without any condition, any individual to join the party as an ordinary member."

Earlier, he witnessed the signing of a memorandum of understanding between Inmind and Ikatan (National Coalition of Bumiputra [Indigenous] Book Publishers).

Inmind chief executive Iddid Razali said the institute and Ikatan planned to come up with an "Information Corner" where intellectuals and scholars could discuss current issues and the latest books, adding that the information would be put on the homepage. Ikatan was represented by vice-president Ma'arof Saad.

Malaysia: Minister Views Downsizing of Regular Army Personnel

BK1006154196 Kuala Lumpur SUNDAY STAR
in English 9 Jun 96

[Report by Leslie Lau — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — There will be three reserves for every regular soldier in the army by the year 2020 as part of the total defence concept being advocated for the Armed Forces.

Defence Minister Datuk Syed Hamid Albar said yesterday this would translate to a combined strength of 240,000 reserves, including Territorial Army personnel and 80,000 regulars.

"In the current scenario of peace where armies all over the world are being downsized, the only way to face the challenge is to involve all citizens in the nation's defence," he said.

Syed Hamid was speaking to reporters after witnessing a parade and inspecting a guard of honour mounted in conjunction with the Territorial Army's 38th anniversary celebrations.

In line with the army's downsizing of regular troops from 120,000 to 80,000 soldiers by the year 2000, Syed Hamid said the emphasis would now be on increasing the number of reserves, especially volunteers in the Territorial Army.

"The first step is to have one reserve soldier for every regular soldier by the year 2000," he said.

Syed Hamid expressed confidence that this target could be achieved before the year 2000 because there were already nearly 40,000 Territorial Army personnel now.

He added that amendments to the Armed Forces Act tabled in Parliament recently would help increase the number of reservists.

Under the amendments, Syed Hamid said regulars who retired before the age of 55 would be required to serve as reservists for five years or until the age of 55, whichever came first.

Syed Hamid cited as an example outgoing Air Force Chief Lt Jen [Lieutenant General] Datuk Sri Abdul Ghani Aziz whom he said would be required to serve as a reservist because he was only 52.

With an annual attrition rate of nearly 6,000 which he described as a loss to the nation, Syed Hamid said the amendments would help build up the reserve strength.

The ministry, he said, had also decided to give honorary officer commissions to politicians and community leaders as a means of encouraging more people to join the Territorial Army.

Malaysia: Editorial Views Appointment of Kedah Chief Minister

BK1306112096 Kuala Lumpur UTUSAN MALAYSIA
in Malay 12 Jun 96 p 6

[Editorial: "Pinning Hope on Sanusi"]

[FBIS Translated Text] The appointment of Datuk Sri Sanusi Junid as Kedah state's new chief minister not only ended a series of political dramas in the country's foremost rice producing state but simultaneously taught an important lesson to all parties, particularly UMNO [United Malays National Organization] members.

A party's regulations whereby a full mandate is given to the party president to appoint the executive official of a state must be respected. It is clear that the party president should not be pressured when making a decision regarding such an appointment. Moreover, the appointment stemmed the existence of a dangerous trend that could have upset the current stability.

After the dust has settled, the focus of attention will be on how capable Sanusi will be in fulfilling Prime Minister Datuk Sri Dr. Mahathir's and the state community's aspirations. Unquestionably, Sanusi will be burdened with a heavy responsibility.

His first step will be to maintain political stability and create a favorable working atmosphere in the state.

Despite facing several challenges in connection with his appointment, Sanusi has no alternative but to treat his foe as his friend.

If he aspires to transform Kedah into a progressive state, he absolutely needs the support of various sectors to assist him in achieving success and fulfilling the expectations. We are confident that Sanusi, as a senior politician, can solve the problem within a short period.

Kedah, which has been given an allocation of RM [Malaysian ringgit] 3.341 billion under the Seventh Malaysia Development Plan, has great potential for development. The industrial development process undertaken by the administration of Tan Sri Osman Aroff needs an innovative and aggressive leader to continue it and lift Kedah to a much higher level.

Development areas such as Sungai Petani, Kulim, Langkawi, and Alor Setar have succeeded in attracting more local and foreign investors. Kulim High Technology Park will ensure that Kedah has an opportunity to make progressive industrial advancements based on high technology and information technology.

Most developed countries are currently focussing attention on high-tech industries, information technology, and services. It is possible that Kedah wants to achieve progress close to this level.

Kedah, as an agricultural state, and Sanusi himself, as a former agriculture minister, make a good combination to reform the state's agricultural structure and bring more benefit to the state's farmers.

Dr. Mahathir previously stated that he had a program for Kedah. By sending Sanusi back to Alor Setar, it is absolutely definite that Dr. Mahathir is confident that Sanusi has the capability to realize the program.

Singapore

Singapore: Lu Ping: PRC Committed to Hong Kong Hands-Off Policy

BK1306033096 Singapore THE STRAITS TIMES in English 12 Jun 96 p 14

[Report by Theresa Tan]]

[FBIS Transcribed Text] Beijing is committed to a hands-off policy on Hong Kong and has taken steps to ensure minimal interference in its affairs after 1997. Mr. Lu Ping said yesterday.

"Beijing's policy on Hong Kong will be as little interference as possible. Everything will be the same after 1997. The currency will still be the Hong Kong dollar, not renminbi," said the director of the Hong Kong and Macau Affairs Office (HKMAO) of the State Council.

He stressed that apart from foreign affairs and national defense, which would come under Beijing's jurisdiction, everything else would remain unchanged.

In fact, he said, as early as 1979, patriarch leader Deng Xiaoping had said in a meeting with Lord Murray Maclehoose, then Governor of Hong Kong, that the territory would be treated "as a special region and as a special question".

"No matter how the question of Hong Kong is resolved, its special status will be guaranteed," he quoted Mr. Deng as saying.

In 1984, too, when Mr. Deng met the then-British Foreign Secretary Sir Geoffrey Howe, he emphasized that "Hong Kong's prosperity and stability cannot be maintained without a guarantee on its continued capitalist system".

Stressing that the Chinese patriarch's remarks were by no means casual, Mr. Lu added: "And I can tell you that we have spent an enormous effort in explaining to the other provinces and municipalities why Hong Kong is being so privileged." He referred to a recent meeting convened by China's top national leaders, saying that the local authorities were told not to interfere with Hong Kong's administration.

They were also reminded to abide fully by the Basic Law in handling issues related to Hong Kong.

The role of the HKMAO, said Mr. Lu, was to ensure that this policy of non-interference was upheld.

"If it finds any interference, it will take measures to stop it," he said.

In addition, he said, the office was promoting the Basic Law, the post-handover mini-constitution which guarantees the territory's capitalistic way of life, among the various central government departments, the local authorities and even abroad.

"We are now sending people everywhere, abroad and also to other places in China, giving lessons on the Basic Law, to let them understand the Basic Law.

"We want them to know the central government's policy on Hong Kong and let them know that they should act in accordance with the Basic Law," he said.

The message that Beijing is serious about sticking to the provisions of this official document could not be made any clearer.

Mr. Lu made frequent references to the Basic Law throughout his public talk and press conference.

Singapore: SIA Signs Deal To Buy 24 European Planes

BK1306053396 Singapore THE STRAITS TIMES
in English 13 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore Airlines' (SIA's) leasing associate company, Singapore Aircraft Leasing Enterprise (Sale), has signed an agreement to buy up to 24 Airbus Industrie planes.

The purchase is, potentially, worth US\$1.2 billion (S\$1.7 billion).

Responding to queries, Sale's managing director John Willingham said yesterday that the confirmed order for half of the 24 planes was worth US\$620 million.

The optional order for another 12 jets, was worth around \$590 million, and would allow Sale to choose from any aircraft types in the 124-to-185 seater A320 family, he added.

The company had said earlier it had signed a memorandum of understanding with the European plane maker for eight 150-seater A320s, and four 185-seater A321s — marking the first time Sale was buying single-aisle narrow-body jets. They are scheduled for delivery from January 1998.

The move followed a Sale order for up to 16 twin-aisled or wide-body Boeing 777 jets late last year.

However, Sale, a 50:50 joint venture between SIA and US firm Boullion Aviation Services, had yet to line up any customers for its new planes, Mr. Willingham said.

"But, of course, we've done a lot of homework. So we have a pretty good idea where these aircraft will go," he said.

Explaining the choice of A320, he said it allowed Sale to offer customers a wider product range.

"These new Airbus Industrie A320 family aircraft complement our previous acquisitions of wide-body equipment and positions Sale to be a strong competitive force."

The A320 family, having established itself in Europe and North America, was increasing its presence in Asia too, he said, pointing to recent acquisitions by China Southern and Philippine Airlines. Expanding into the narrow-body market was also logical because it helped to reduce Sale's market risk, he said.

Sale's customers to date include EVA Airways, Alitalia, and China Southern, all of whom have leased the Boeing 767-300, a 218-passenger model.

The purchases are expected to put greater pressure on Hotel Properties Ltd.-linked Region Air, which focuses mainly on narrow-bodies and has placed out A320 leases to Vietnam Airlines.

In a separate statement yesterday, SIA said it had signed a code-sharing agreement with US carrier American Airlines (AA) on the Singapore-Chicago route.

Under the pact, SIA passengers flying to Los Angeles and San Francisco will be able to connect to AA flights to Chicago, with a choice of 12 flights weekly, from 1 July.

Cambodia

Cambodia: Khmer Rouge 'Prime Minister' Interviewed

BK1306105896 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 12 Jun 96

[Interview with Khieu Samphan, "prime minister" of the Provisional Government of National Union and National Salvation of Cambodia, by an unidentified station correspondent on 12 June; place not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Your Excellency Mr. Prime Minister.

[Khieu] Greetings.

[Correspondent] Public opinion in the country and abroad believes that Cambodia under the two-head regime is a country of thieves; that it is neither a state nor a nation. What is your opinion?

[Khieu] Yes, that is correct. It is an expression of the national and racial anger of our people from all walks of life. It is also an expression of the world's dislike and scorn for the two heads. I understand that we need to examine this matter even more closely to see what kind of regime that of the two heads really is. It is clear to most people, but communist Vietnam, the alliance, and the upside-down human rights advocates are deceitful and wicked. They make some people mistake the cover for the substance.

[Correspondent] What exactly is the social regime of the two heads?

[Khieu] According to its substance — its true nature — the social regime of the two heads is that of communist Vietnam, meaning that communist Vietnam controls this regime both directly and through its puppet administration and the nearly 5 million ethnic Vietnamese. Also, it should be stressed that this communist Vietnamese

regime is not a colony or a protectorate as in the time of the French. The communist Vietnamese have snapped at and swallowed Cambodia politically, economically, socially, in terms of territory, and in all other sectors and domains. Therefore, the danger does not come from an ordinary war of aggression or from ordinary colonialism. It is the danger of communist Vietnam swallowing up Cambodia; destroying and annihilating the Cambodian race. A true Cambodian cannot coexist with such a regime and cannot live under it.

[Correspondent] Some believe that since the UNTAC [UN Transitional Authority in Cambodia] elections, the communist Vietnamese regime has changed into a liberal democracy, a free market, and a capitalist regime. What is your opinion?

[Khieu] The capitalist regime in Cambodia under the two heads is only a cover. It is merely window dressing. This regime is communist Vietnamese in substance. Communist Vietnam gives it this cover to fool the misguided and cloud the judgment of the world at large, especially to confuse and deceive the Western alliance in order to get money to continue the war of the communist Vietnamese aggressors. It is this cover that has confused some people and makes them think they can coexist with the communist Vietnamese regime. Many of them have since wasted their lives in this communist Vietnamese regime.

[Correspondent] Would you please elaborate on the meaning of this cover?

[Khieu] Yes. Please consider:

1. The political regime: What kind of political regime do the two heads have? You do not have to look far. Just listen to the voice of Dong village's farmers who saw the pillars of their houses cut down by communist Vietnam. Theirs is an extremely sorrowful voice that goes straight to the heart. It echoes the hurt and anguish of our entire people. How did Hun Sen respond to their call? He said: Give them guns and coffins, too, and let them go and fight Vietnam.

The communist Vietnamese have killed so many of our people, and yet this guy Hun Sen had the cheek to say that. Of what state and what nationality is he to make such a remark? With all he has done and said, how can he remain co-prime minister of the so-called Royal Government of Cambodia? Why has Chea Sim, the self-styled National Assembly chairman, never summoned and questioned Hun Sen? Why has the second-class National Assembly never grilled Hun Sen about Vietnam grabbing our territory?

Hun Sen accused the king of staging a coup against the Constitution and arrogantly threatened to sack him. Why

did Chea Sim and his second-class National Assembly remain silent? Whose National Assembly is it?

In the case of Prince Sirivut — who did not do or say anything against the nation and people at all — why did they accuse him of every crime imaginable?

Allow me to cite just these few examples. There are countless cases and testimony to prove clearly that the second-class National Assembly belongs to communist Vietnam; the two-headed government belongs to communist Vietnam; the judiciary belongs to communist Vietnam; the laws belong to communist Vietnam; all the authorities from the provincial level down to the district, commune, and village levels belong to communist Vietnam; and the Army, police, and all the ministries and departments belong to communist Vietnam. There is no such thing as a Cambodian nation; a Cambodian state. The likes of Hun Sen, Chea Sim, and Sar Kheng are merely puppets of communist Vietnam. These guys have been given carte blanche by communist Vietnam to grab and occupy mansions and state-owned buildings in Phnom Penh and to plunder and seize the land and fields of people elsewhere. They will do whatever communist Vietnam tells them and sign whatever communist Vietnam writes for them. Communist Vietnam wrote the so-called treaty that portioned off chunks of Cambodia's eastern territories by the tens of thousands of square kilometers, including the Dragon's Tail region, the sea, the islands, and the continental shelves. These guys just signed it.

In Ponhea Krek District, the villages of Chea Sim and Heng Samrin have been annexed by communist Vietnam — intruding 20-30 km into our land — and these guys did not utter a word. Now as many as 5 million ethnic Vietnamese have swamped Cambodia in an attempt to swallow up this country, yet they continue to allow more to come in. They have dedicated their lives to communist Vietnam. They cannot live without communist Vietnam.

2. The economic regime: The economic regime of the two heads is not a capitalist economic regime that takes precedence over that of communist Vietnam. Let us ask: Who controls the land? Communist Vietnam. Who controls the timber, the forests, and the fish? Communist Vietnam does. Who controls the resources above and below ground, including minerals, petroleum, and gases? Communist Vietnam does. Communist Vietnam does in the form of the Communist Party of Vietnam [CPV], the communist Vietnamese puppet administration, and the nearly 5 million ethnic Vietnamese.

Let us take a look at the statistics; the numbers. How much land, forests, timber, fish, hogs, poultry, and rice have been grabbed and consumed by these nearly 5

2. They attacked and defeated communist Vietnam and the alliance's strategy of continuing to ignite the war

against the Cambodian nation and people, inflicting one setback after another on them, especially during the 18th dry season when they handed them a strategic and apparently decisive defeat. That made them very angry and bitter. They have cursed our nation, people, and resistance forces as a result.

When a Vietnamese dies, they always raise hell about human rights. When nearly 5 million ethnic Vietnamese are swallowing up Cambodia and exterminating the Cambodian race, they say not a word. Human rights are referred to for the sake of communist Vietnam only. When communist Vietnam kills Cambodians, they say it is within communist Vietnam's rights. When the Cambodian people fight in self-defense, they say we have no right to do so. What sort of human rights is that? The Cambodian nation and people do not need their upside-down human rights. If they want to protect the ethnic Vietnamese, why not just take them to their own country?

As for the Cambodian nation and people, we reserve the right to fight and defend ourselves. This is our sacred right. In their tenacious, tortuous, and arduous struggle, the Cambodian nation and people have continued to consolidate and expand their own strength steadily, to grasp their own strength, and to increase their faith in their own strength. They have realized that when they rely on their own strength, when they rely on their own national and people's forces, they can fully struggle to save and liberate their country and race. They stop believing in heaven and the skies. In particular, the poor peasants — who in the past constituted the source from which communist Vietnam and its puppets, the stooges, and later the United States, other alliance members, and the two heads recruited troops to fight in their war — now have become a force opposing and fighting them. The peasants who have been conscripted as soldiers and militiamen are deserting the front and returning to their families. Although they can barely make a decent living from planting rice and corn, the peasants no longer allow the old and new enemies to conscript them as soldiers and militiamen. They are determined to live independently and to join the struggle against the old and new enemies, especially the struggle to smash and dissolve the communist Vietnamese administration in villages and communes and to liberate their villages and communes, land, and fields. The situation in the 18th dry season produced an earth-shaking change. More tremendous changes will continue to take place during this rainy season and in the future.

On this occasion, I would like to recall my 20 May warning to the soldiers, militiamen, and village and commune authorities of the communist Vietnamese puppets. Today is 12 June. There are only three days

left for all of you who have served communist Vietnam against the nation and people; who have skinned the Cambodian nation and people, especially the poor peasants, for the past 17 years. After 15 June, if any of you continues to serve communist Vietnam, you will be judged on the spot by the court of the poor peasants and will be given a sentence commensurate with the severity of your crimes.

Indonesia

Indonesia: Editorial Compares ASEAN, U.S. Stands Toward Burma

BK1306094296 Jakarta KOMPAS in Indonesian
13 Jun 96

[Editorial: "ASEAN Seems To Prefer 'Engagement' to 'Isolation' Policy" — received via Internet]

[FBIS Translated Text] The growing pro-democracy activities led by Aung San Suu Kyi in Myanmar [Burma] over the past weeks have added to the problems of the military regime that rules that country. To deal with this new situation, ASEAN countries seem to be adopting a different stand from what the United States wants.

Yesterday Thailand said it would prefer to adopt an engagement policy toward Myanmar. A similar stand was also voiced by Indonesian Foreign Minister Ali Alatas. The United States, however, wants to see a more integrated and firm response to the situation.

Thai Foreign Minister Amnual Wirawan said that the constructive engagement policy toward Myanmar will continue. "I do not see any benefit to adopting a policy that is unfriendly to a neighboring country," REUTER quoted him as saying.

His remarks came after President Clinton's two special envoys — William Brown and Stanley Roth — visited several Asian countries to discuss the latest situation in Myanmar. The two envoys visited Tokyo and Manila and were in Singapore yesterday. They are also scheduled to visit Indonesia and Malaysia before arriving in Thailand on 15 June.

We are also concerned about the latest situation in Myanmar. In her efforts to promote democracy in her country, Suu Kyi has to deal with the State Law and Order Restoration Council [SLORC] directly. More than 250 members of the National League for Democracy [NLD] were arrested last month after Suu Kyi called for the convening of an NLD congress. Most of them have now been released, but 30 NLD members, including a close aide of Suu Kyi, are still detained.

If we watch the news on television every night, it appears that Suu Kyi is unperturbed by the military regime's hardline policy. It is understandable that she acts the way she does, she wants nothing but acknowledgement of her victory in the last elections. Her continued campaign to provide political education to the populace may force the military regime to take drastic steps.

This may be the reason why the United States seems to be in a hurry to dispatch the two special envoys. It wants to elicit a firm response to any action the military regime may take. It is unfortunate, as we said earlier, that ASEAN does not support the U.S. initiative. Even Thai Foreign Minister Amnuai said that people who live faraway have different perceptions than Asians who live near Myanmar.

In this case, we notice the United States adopting an inconsistent stand. In dealing with the PRC, the United States continues its engagement policy, despite calls by some for an isolation and containment policy against Beijing.

We have also noticed that it has become ASEAN's conviction to adopt the constructive engagement policy so as not to further isolate that country.

The conviction, as Alatas stressed, is based on the principle of not interfering in other countries' affairs. This also explains why the government has dismissed reports that Alatas will visit Myanmar to express ASEAN's concern over the latest situation in that country.

We also share the Thai foreign minister's view that although ASEAN wants to continue its engagement policy toward Myanmar, the regional grouping also wants to see peace and stability in this region.

It is high time for the SLORC to respond to these two views. It should not adopt an oppressive stand toward NLD supporters as it has by announcing a new law that will impose 20-year prison terms to anyone who may be considered a threat to the country's stability or public order.

ASEAN's constructive engagement policy will only prolong the SLORC's undemocratic practices if the policy is not accompanied with firm action against such practices. In many countries, such undemocratic practices have become unpopular and are opposed by the masses.

Democratic changes have taken place in South Korea and Thailand. Are we going to ignore the signs of the times?

Indonesia: Alatas Rejects Isolating Burma Over 'Internal Problems'

BK1106130496 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 11 Jun 96

[FBIS Translated Text] Indonesia and other ASEAN members do not want to isolate Burma at all over its internal problems. Speaking at the Bina Graha Presidential Office today, Foreign Minister Ali Alatas said Indonesia did not see any use in isolating Burma. Earlier, the foreign minister accompanied President Suharto during a courtesy call by Sri Lankan Foreign Minister Lakshman Kadirgamar. He expressed his views in reply to questions on the planned visit of some U.S. officials to Jakarta. The U.S. team, which is also visiting other ASEAN members, wants ASEAN to urge the Burmese Government to implement democracy.

According to Ali Alatas, constructive engagement is a preferable way of moving Burma out of isolation. ASEAN has a principle of noninterference in the internal affairs of other countries.

Indonesian Minister: East Timorese Plan Suit Against Portugal

BK1206142296 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 12 Jun 96

[FBIS Translated Text] The people of East Timor will file a suit against the Portuguese Government at the International Court of Justice (ICJ) over the oppression, cruelty, and human rights violations committed by the colonial regime in East Timor for over 400 years. Foreign Minister Ali Alatas disclosed this during a hearing with House Commission I (Roman one — in charge of foreign affairs, defense, security, and information) chaired by Theo Syaefi in Jakarta today.

According to the foreign minister, East Timorese representatives will file the suit immediately with the ICJ at The Hague in the Netherlands. He said the suit will not be filed by the Indonesian Government but by the people of East Timor because their human rights were violated during Portugal's colonial rule over the territory. According to Alatas, Indonesia regards the East Timor issue as a political problem rather than a legal one.

Indonesia: Alatas 'Ready' To Mediate Korean Peninsula Conflict

BK1306034896 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 13 Jun 96

[FBIS Translated Text] Foreign Minister Ali Alatas said Indonesia is always ready to help solve the Korean peninsula problem through negotiations because the

conflict between the two Koreas may affect stability in the Asia-Pacific.

Addressing parliament's Commission I in Jakarta yesterday, Alatas said Indonesia is ready to assist the two countries to reach a peaceful solution if all sides involved in the conflict want Indonesia to do so. Alatas also called on all sides to exercise restraint and seek a peaceful solution to the problem.

Indonesia: Chinese Boat People Ordered To Leave Kupang 8 Jun

BK1006053396 Jakarta KOMPAS in Indonesian 10 Jun 96

[ANTARA report — received via Internet]

[FBIS Translated Text] The boat people from southern China who spent four days in Kupang were ordered to leave on 8 June, because they had stayed longer than the time allotted to them. The motorized vessel, which was carrying 67 Chinese nationals made a stopover at Tanjung Perak port in Surabaya. The boat people, who consist of 32 men, 14 women, and 21 children, left southern China for Darwin, Australia, on 4 May.

Indonesia: SRV Refugees Repatriated From Galang Detention Center

BK0706124496 Jakarta KOMPAS in Indonesian 7 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Batam, KOMPAS — The Galang '96 Humanitarian Operation Task Force continues to urge Vietnamese boat people on Galang island to join the voluntary repatriation program after the UN High Commission for Refugees [UNHCR] arranged repatriation of 73 Vietnamese boat people by air from Batam's Hang Nadim airport on 6 June. Before this, a total of 240 Vietnamese boat people had been repatriated aboard four Air Vietnam planes.

Speaking to reporters, Major General Arie J. Kumaat, commander of the Galang '96 Humanitarian Operation Task Force, said his office continues to make efforts to convince the refugees to return home under the UNHCR voluntary repatriation program because it provides immense benefits to them. The refugees will be repatriated by air (a three-hour flight to Vietnam) and receive an allowance worth \$50 for adults and \$25 for children under 12 years of age.

The two-star general said the task force has limited facilities for repatriation — they only have ships, which take three days to reach Vietnam, and no allowance for the returning refugees. [passage omitted on plan to repatriate more refugees]

Indonesia: General Denies 'Forcing' SRV Refugees To Return Home

BK1206143896 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 12 Jun 96

[FBIS Translated Text] Lieutenant General Suyono, chief of the General Staff of the Armed Forces of the Republic of Indonesia [ABRI], has strongly denied that the ABRI is forcing Vietnamese refugees to return home as soon as possible to meet the deadline for the repatriation of boat people at the end of this month. Lt. Gen. Suyono made the denial in Jakarta today.

He said the ABRI is not using force in the boat people repatriation process but is rather assisting the UNHCR in the voluntary repatriation program. Security personnel on Galang Island are trying to help the UN agency meet the deadline of 30 June 1996. There were 4,628 refugees on Galang Island at the end of May. Their numbers have decreased due to the recent voluntary repatriation of batches of refugees aboard several flights.

Indonesia: Navy Detains 7 Foreign Vessels for Illegal Fishing

BK1106'00196 Jakarta SUARA PEMBARUAN in Indonesian 10 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Sorong, 10 June — In a recent routine operation, the Indonesian Navy detained seven foreign motorized vessels for stealing tuna and garapu in Irian Jaya waters. The seven foreign vessels comprise six Philippine vessels and one Hong Kong vessel, but all of them fly the Indonesian flag. The six Philippine motorized vessels were detained by a unit of the KRI [Republic of Indonesia Ship]-531 while illegally fishing for tuna near Moor Island, Sorong District, Irian Jaya. Meanwhile, the Hong Kong vessel Wong Thai was intercepted by a unit of the KRI Setejo Seno Putra in Fakfak waters on 28 May. As many 5.5 metric tons of alive garapu fish, believed to be smuggled into Hong Kong, were recovered from the vessel.

Navy Captain J. Suparwan disclosed the cases to SUARA PEMBARUAN at his office on Wednesday (5 June). The seven foreign vessels had no fishing licenses and entered Indonesian waters illegally. All their crewmen cannot speak the Indonesian language.

"The 71 crewmen are under custody, while the vessels and stolen fish have been confiscated by the commandant of the Sorong Naval Base. The stolen fish weigh about 3.8 metric tons," Suparwan said. [passage omitted]

Indonesia: Sri Lanka's Kadirgamar Signs Cooperation Documents

BK1306114996 Colombo Sri Lanka Broadcasting Corporation International Service in English 1045 GMT 13 Jun 96

[FBIS Transcribed Text] The Sri Lankan and Indonesian foreign ministers have agreed to promote closer cooperation between the SAARC [South Asian Association for Regional Cooperation] and ASEAN regional grouping. Foreign Minister Lakshman Kadirgamar held talks in Jakarta this week with his Indonesian counterpart Alatas. The two ministers also discussed ways to overcome the large bilateral trade imbalance, which is in Indonesia's favor. Mr. Alatas pledged to promote Sri Lankan exports, including natural rubber, woven fabrics, gems and jewelry, ceramic ware, and spices in his country. The Sri Lankan foreign minister then briefed him about opportunities for Indonesian investment in the island.

The two ministers signed three documents to promote and protect investment, as well as improve cooperation in the economic and technical spheres. One agreement provides for cooperation in the field of broadcasting and information. A new joint commission is to be set up to oversee bilateral relations.

Minister Kadirgamar paid a courtesy call on President Suharto. The president agreed to send a trade and investment delegation to Sri Lanka. The delegation, accompanied by a team of energy planners, would recommend measures to overcome the power supply crisis by drawing on Indonesia's experiences in this field. The Sri Lankan foreign minister also addressed a business forum organized by the Indonesian Chamber of Commerce. Arrangements are being made to give Indonesian businessmen an opportunity to meet their counterparts in Sri Lanka.

Indonesia: Supreme Court Upholds Government's Ban on Magazine

BK1306114696 Hong Kong AFP in English 1123 GMT 13 Jun 96

[FBIS Transcribed Text] JAKARTA, June 13 (AFP) — The Supreme Court overturned the verdicts of two lower courts Thursday to declare Indonesia's information minister acted legally when he banned a controversial weekly magazine, Tempo, in June 1994.

The ruling was immediately condemned by the Indonesian independent Legal Aid Institute (LBH) as a violation of human rights.

"The Supreme Court has created a milestone in the history of the law and justice by a decision that legalised

government actions which run against the law and violate human rights," it said in a statement.

The Supreme Court accepted the appeal of Indonesia's information minister Harmoko and ruled he had acted legally in banning Tempo in June 1994.

Supreme Court Chief Suryono delivered his ruling to a courtroom packed with hundreds of journalists, diplomats and supporters who had waited hours for the verdict. The building was under heavy guard outside and riot police were inside. Everyone entering the court was frisked.

Suryono said the information minister had the authority to revoke a media publishing license if the terms under which the permit was issued were not upheld.

Jakarta had cited editorial reasons for banning Tempo, the country's leading weekly magazine, in June 1994. Two other weekly magazines — Editor and DeTik — were also banned the same day, for administrative reasons.

The three publications had run articles critical of government policies.

Tessa Piper of the London based anti-censorship group Article 19, said: "We will protest against the decision because we believe it is contrary to the ideals of press freedom and Indonesian law."

She said Indonesians were becoming "increasingly aware of how the government attempts to manipulate decisions of this kind," adding that the ruling sent a "very negative and disappointing signal" internationally.

"I hope foreign governments will express very clearly to the Indonesian government that in the 1990s this is not the way to behave to the press," Piper said.

About 200 journalists and Tempo supporters later rallied in central Jakarta in support of the magazine that was founded in 1973.

Supporters said they would wear black arm bands for a week as a sign of mourning for the magazine, which at its peak had a circulation of 180,000.

"We demand the resignation of the head of the Supreme Court," said Mochtar from the group People Who Love Press Freedom in a written statement.

Former Tempo chief editor Gunawan Mohammad told AFP after the verdict "our fight for press freedom through the law is now over. Now we are left with struggling through other channels."

"If there is any hope that the Supreme Court of Indonesia will uphold justice, it is now gone," Mohammad's lawyer Adnan Buyung Nasution said.

He called the court's verdict "very saddening." He added, "it should be interpreted as a warning to other media ... that the minister's banning of the press will be supported by the courts."

Another Mohammad attorney, Mulya Lubis, said there would be no move for a re-trial. "This is already our maximum effort, we stop here."

The credibility of the Supreme Court has come under question recently after a senior justice made allegations of collusion by justices.

An investigative team probing the allegation earlier this week said it had found no evidence of collusion but cited unspecified "procedural violations."

Indonesian Supreme Court: Minister's TEMPO Ban 'Not Unlawful'

BK1306151996 Jakarta ANTARA in English
1438 GMT 13 Jun 96

[Received via Internet]

[FBIS Translated Text] Jakarta — The country's Supreme Court in its ruling Thursday overturned the verdicts of two lower courts and declared the Information Minister acted legally when he banned a weekly magazine, Tempo, in June 1994.

"The Supreme Court accepted the appeal of Information Minister Harmoko," Chief Justice Suryono told a courtroom packed with hundreds of journalists, diplomats and supporters who had waited for hours for the verdict.

Suryono said the Information Minister has the authority to revoke a media publishing license if the terms under which the permit was issued were no longer upheld.

Chief Justice Suryono further said in his verdict that the Information Minister's decision to annul the publishing licence of Tempo magazine was not unlawful.

"There are enough reasons to grant the appeal by the Information Minister and to overturn the decision by the Jakarta Administrative High Court," he said.

Former Tempo editor-in-chief Gunawan Mohammad, surrounded by supporters outside the courtroom, described the verdict as a "sad situation".

"We are going to stop our struggle through the court but we will continue it in another way," he said.

Meanwhile, Director-General for the Press and Graphics Subrata when asked to comment on the Supreme Court's ruling said "Whatever the ruling of the Supreme Court was, it should not be considered as victory or defeat. We all have to appreciate such a ruling." He also said he

has not read the Supreme Court's verdict which annulled Mohammad's appeal in the Tempo magazine case.

Security was tight in and around the court building and there was silence when the verdict was read out.

The government cited editorial reasons in banning Tempo, the country's leading weekly magazine, in June 1994.

Tempo at the time of its banning had a circulation of around 150,000 copies.

Two other weekly magazines — Editor and DeTik — were also banned the same day, for administrative reasons.

Indonesia's 1997 Elections Causing 'Political Fever' To Rise

96p30198

[FBIS Report] Recent Jakarta press reports noted that the "political fever" is rising in Indonesia in anticipation of next year's general elections. The press said that for the first time since President Suharto became president, there is open military involvement and independent monitoring in connection with a general election. The 29 April SUARA PEMBARUAN quoted Taufik Abdullah, a historian at the Indonesian Institute of Sciences (LIPI), as saying that "tension" and "political temperatures" are rising much earlier than in past elections.

SUARA PEMBARUAN also reported that Army Chief General Hartono broke decades of official military neutrality when he openly declared the Armed Forces' (ABRI) full support for the ruling party Golkar. Although the military had helped establish Golkar in 1964 to fight the spreading influence of the Indonesian Communist Party at the time, it has always maintained the appearance of neutrality, the paper said. Hartono's statement has reportedly generated widespread criticism, including that from Defense Minister Edi Sudrajat. However, according to the 5 May SUARA KARYA, despite these criticisms, Hartono has stated that spouses of soldiers should cast their votes for Golkar. The paper also quoted Indria Samego, a political analyst at the Center for Information and Development Studies, as saying that ABRI wants to state its support early to ensure that its votes would not be divided.

The 4 May MERDEKA noted that a "controversy" started when a group of civilians established an independent monitoring committee (KIPP). KIPP, which includes Muslim intellectuals Nurcholish Majid and Gunawan Mohamad (former head of the Indonesian weekly TEMPO), plans to mobilize a voluntary network throughout the country to monitor the polls. While

the establishment of KIPP was applauded by two other political parties in Indonesia, the Muslim-based United Development Party (PPP) and the nationalist Indonesian Democratic Party (PDI), Attorney General Singgih has warned that action will be taken if KIPP interferes in the electoral process.

Indonesia: ABRI Denies Creating 'Chaos' in PDI

BK1206103796 Jakarta KOMPAS in Indonesian
10 Jun 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Lieutenant General Syarwan Hamid, ABRI [Armed Forces of the Republic of Indonesia] chief officer for sociopolitical affairs, has reiterated that the ABRI did not politically engineer the demand of the regional executive councils of the Indonesian Democratic Party [PDI] for a new congress in order to cause a split in the party with the ox symbol. The PDI branches' demand for a new congress has received the support of 16 members of the Central Executive Council, and this is a sound political development in the party.

"It is not true that ABRI is allegedly responsible for creating chaos in the PDI and sowing the seed of disunity among party members. The ABRI has always regarded the PDI as a national asset that should be protected. In fact, we will always be open to anyone, including the PDI, if they wish to seek our assistance," he told journalists in Bandung on 8 June after appearing on the "Perspective Live" program moderated by Wimar Witalar.

Syarwan has also denied that a third group is attempting to create friction between the PDI and the ABRI by spreading the news that the trip by PDI regional executive members to Jakarta was financed by the local military district and precinct commanders. "That is not true. The local military commanders are always short of funds to maintain their own respective offices," he said, adding that the donations they receive are not used to engineer any conflict.

The PDI Central Executive Council

Furthermore, Syarwan said that ABRI has continued until now to recognize Megawati as the PDI chairperson as well as the 27-member PDI Central Executive Council. "We not only recognize Megawati, but also the 27 members of the PDI Central Executive Council. The PDI leadership is collective, so we are not in favor of one person only," he said.

Speaking on the planned PDI congress, Syarwan said it would be legal if it was held in accordance with the PDI's internal regulations. "If the congress is held

constitutionally, the ABRI will have no objection. In fact, we are offering our services to maintain order at the congress. The Home Affairs Department has said that the congress will be legal. If the patron of domestic politics has said so, then we are ready to provide security measures. Anyway, the ABRI is not discussing the new PDI congress just for the sake of saying something. We have also studied whether or not the demand to hold the congress is in accordance with the party's constitutional procedures," he said.

When asked if the congress is something that has been engineered, the three-star general said: "In politics, engineering is something legitimate as long as it is in accordance with the regulations. There is no political ideology that relies on prayers only. Therefore, I do not forbid political engineering. If the politicians engineer the congress for a true cause and in accordance with the regulations, then it will be legal. We only have to look at the criterion. The Home Affairs Department has the competence to evaluate this. If the congress is in accordance with the existing criterion, then it will be legal," Syarwan explained.

"Is this not the product of ABRI's engineering?," a journalist asked. Syarwan said: "Is it possible for me to influence Madame Fatimah Ahmad [a member of the PDI Central Executive Council]? You are belittling them. Who am I? Members of branch executive councils have also demanded that a new congress be held. The evidence is that some figures in the PDI Central Executive Council also welcome Fatimah's request. Therefore, if it had not been her wish to hold the congress, there would have been no plan for it."

On the occasion, Syarwan also reiterated that the ABRI will not fight for anyone involved in the party conflict. "We do not talk about names, but the party's statutes," he said. "What if the congress elects Megawati as the chairperson again," a journalist asked. Syarwan said: "We will accept anyone who has been elected, so long as the election is constitutional and in accordance with PDI's internal regulations." [passage omitted]

Indonesia: Opposition Party Urges Dissidents To Return

BK1306095096 Jakarta KOMPAS in English
13 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, Kompas Online — In a meeting of PDI's [Indonesian Democratic Party] central leadership council on Wednesday (12 June), all groups were asked to return to the legitimate core of the party.

This is all in accordance with President Suharto's philosophical request that we must prioritize discussion and deliberation. This is how we think. It would be wonderful if we could settle differences of opinion by sitting at the same table, said the chairman of the PDI central leadership council Sutarjo Suryoguritno when he met together with the head of the PDI research division Kwik Kian Gie and the deputy secretary general of PDI Haryanto Taslam.

According to Sutarjo, his side had invited the 16 pro-congress functionaries to Wednesday's meeting. However, only the 11 anti-congress functionaries were present.

Yesterday the central leadership council had received support from 26 branches, all of which declared their opposition to the congress.

We have already sent a letter rejecting the congress to Megawati. Our decision was based on our observations of developments over the past two weeks which damage the party, said Feliks Moa Hekopung, head of the PDI in Sikka, East Nusa Tenggara.

If there is a congress, then it will be outside of the PDI which is legitimate, constitutional and legal. The permit can only be signed by the leader and not just anyone else. So if there is a congress, perhaps they want to start a new party, said Sutarjo.

PDI West Java (Area V) has also withdrawn their support for the congress. This group also denies that they are among the 18 branches supporting the congress.

Over 1,000 PDI members in Surabaya took part in a peaceful demonstration on Wednesday. They rejected the PDI congress, demanded PDI punish the break-away group and gave their full support to Megawati Sukarnoputri.

Indonesia: 'Strong Reactions' to National Car Policy Noted

*BK1306094796 Jakarta KOMPAS in Indonesian
13 Jun 96*

[Editorial: "Foreseeing the Further Impact of the Hard-line Stance of Foreign Car Producers" — received via Internet]

[FBIS Translated Text] Yesterday we read a news report that General Motors Corporation [GM], one of the U.S. car giants, has suspended its investment plans in Indonesia. GM had earlier invested \$110 million in the assembling of Cherokee jeeps and Opel Blazer sedans in Indonesia.

Ironically, Donald Sullivan, GM president for operations for the Asia-Pacific region, made these remarks

while announcing GM's plan to invest \$750 million to produce "Asian cars" in Thailand. Thailand is certainly Indonesia's potential competitor to find markets for various goods and services as well as foreign investment.

The Opel plant that is to be built in Thailand will have an annual capacity of 100,000 units meant for the Asian market, including Japan and Australia. With the production, GM hopes to double its market share in Asia to 10 percent by 2005.

According to Sullivan, investment plans have been suspended because "GM is dissatisfied with the latest developments in Indonesia that have placed car producers in an unfair playing field."

Presidential Directive No. 2/1996, which gives tariff privileges to only one car producer to build "national cars" has been blamed for an unbalanced competition in the country's car market. For GM, the policy enshrined in Presidential Directive No. 2/1996 and Presidential Decree No. 42/1996 has not clearly charted the development of Indonesia's car industry.

Accordingly, GM has suspended, instead of canceling, the investment plans. At least we can presume that GM is likely to resume its investment plans here should our policy become clear.

It is common knowledge that GM is not the first party to question the national car policy. Japanese car industrialists and even the Japanese Government questioned it earlier.

Delegations have been sent to Japan, but they still have not been satisfied. The Japanese, who have long enjoyed the Indonesian car market, have even threatened to bring their dissatisfaction to the World Trade Organization.

The American Automobile Manufacturers Association [AAMA] has reacted strongly to the policy. The AAMA has firmly asked the Indonesian Government to revise the policy. "The policy has clearly violated WTO regulations," AAMA President Andrew H. Card Jr. said last month. This criticism was accompanied by a "warning" that foreign investors would reconsider their investment plans in Indonesia if the policy is maintained. Accordingly, we regard yesterday's remarks by one of the GM executive officers as part of the "threat" or "warning" issued by the AAMA president.

By disclosing all these points, however, we have no intention to justify what they have complained about or done. "Our" interests are definitely different from "theirs." What we believe is right is not necessarily right by their standards and vice versa.

We can say that we are indifferent to them. Nothing significant has been done, although they have been allowed to do car business here for almost two decades.

Frequently, problems have not been as simple as we think. The current open economic system under which there is a sharp and transparent competition for markets and there are no clear links between two different interests has made it impossible for us to adopt a clear-cut policy.

The United States, for example, questioned Indonesia's film importation policy several years ago. Despite the fact that there were no links between films and textile, our textile exporters to the United States were targeted to counter our film importation policy.

We see the harsh U.S. policy against the PRC over intellectual property rights. A number of trade sanctions will be imposed if the PRC "does not follow" the United States. Nevertheless, why has the United States pledged to renew the PRC's MFN status?

Perhaps this is the so-called market reality. We must minimize possible losses due to the strong reactions of a number of trade partners to the national car policy.

We will have to seriously implement our national car policy when we are confident that the policy is correct and will be beneficial to the economy. Nevertheless, we cannot afford to disregard the objection, complaint, or dissatisfaction of our trade partners. If we disregard all this, there could be new problems that will be no less complicated than the present one.

Moreover, we should perhaps be prepared for the worst. Japan could bring the matter to the WTO, or the United States would be unwilling to understand our steps. For example, do we have lobbyists to soften the U.S. stance, or strong attorneys to face the suits filed by our trade partners in international forums?

Philippines

Philippines Considering U.S. Proposal in Dealing With Burma

BK1306062796 Manila BUSINESS WORLD
in English 13 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Philippines will consider the United States' proposal to have a common approach in addressing the problem in Myanmar [Burma]. Foreign Affairs Secretary Domingo Siazon yesterday told BUSINESS WORLD his office will look at Washington's proposal although he underscored the country's commitment to pursue a policy of constructive engage-

ment, which has been the common stand of all member countries of the Association of Southeast Asian Nations.

"Our approach is we would want to have national reconciliation (in Myanmar)...I don't foresee any problem on having common approaches," Mr. Siazon said. "It is only on the individual instrumentalities that you need to implement the common objectives and approaches because there will be some differences there. Because for us in ASEAN, our policy is to pursue constructive engagement," he said.

ASEAN (Association of Southeast Asian Nations) comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. The Indochinese states of Cambodia, Myanmar, and Laos are expected to join the regional grouping as soon as economic and political reforms take shape in these countries.

ASEAN's constructive engagement policy, according to its officials, is meant to encourage Myanmar to open its economy to reforms. It does not see any benefit in isolating Myanmar.

Although it does not exactly agree with the grouping's policy towards Myanmar, Washington is hoping ASEAN's constructive engagement would resolve pressing problems in that state, which is currently under a military junta, the State Law and Order Restoration Council.

Philippines General Views Reports of SRV Structures in Spratlys

BK1306063996 Manila BUSINESS WORLD
in English 11 Jun 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The military yesterday brushed off reports that the Vietnamese military is constructing additional structures in the Spratlys.

Armed Forces Chief of Staff Gen. Arturo Enrile yesterday said the unconfirmed reports Vietnam has established a communications center in the disputed islands should not be a cause of alarm.

"There is no need for additional troops nor deployment of military officers and men in the Mischief Reef. This remains to be a news report and if this is true, it is not much of a concern (since) militarily, we can't do anything about that," Mr. Enrile said.

Philippines: AFP Plans Structures Upgrade in Spratlys*BK1306065896 Manila BUSINESS WORLD
in English 13 Jun 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Armed Forces of the Philippines (AFP) will upgrade its military stations in the Spratly Islands in a bid to tighten the nation's claims in the disputed area.

As this developed, Defense Secretary Renato de Villa yesterday said the unilateral declaration of the People's Republic of China on expanding its territorial base lines might affect relations with the Philippines.

During Independence Day celebrations at the Musoleo de los Veteranos de la Revolucion in the North Cemetery, Mr. de Villa said the ratification of the United Nations Convention on Law of the Sea (UNCLOS) by China "may be a setback" in an ongoing dialogue. "The talks are doing pretty well and all has been quiet in the Spratly Islands, (but) this may all be jeopardized," Mr. de Villa said.

Under the UNCLOS, China will fix a 12-mile territorial limit and establish a 200-mile exclusive economic zone (EEZ) from its baselines. Mr. de Villa said the results of a dialogue between Foreign Affairs Secretary Domingo Siazon and his Chinese counterpart, Foreign Minister Qian Qichen, will be released as soon as Mr. Siazon comes home from a meeting in China.

Philippines: Ramos Warns Against 'Political Games'*BK1306030796 Manila MANILA BULLETIN
in English 13 Jun 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] President Ramos said yesterday he will strive during the last two years of his presidency to ensure further growth in the country as he warned the people not to allow partisan passion to rule them.

In a speech at the Luneta yesterday afternoon in celebration of the 98th anniversary of the proclamation of Philippine independence, the president said, "To indulge in the quarrels of politics now, just a year removed from the 1995 elections and still two years away from the next, is to risk losing our way to the future.

He said indulging in these political games diverts the people from their urgent priorities as a nation.

"We are wasting precious time, energy, resources, and goodwill that are better spent in meeting our economic and social goals," the president told the crowd which gathered in front of the Quirino Grandstand at the Luneta Park to watch a military-civic Independence Day parade.

During the traditional vin d'honneur later in the evening at the Ceremonial Hall of Malacanang, President Ramos reaffirmed the government's commitment to freedom, human development, international friendship, and peace as guaranteed by the United Nations Charter.

The president said, "Freedom in the Philippines refers to the people's will to live with dignity and in solidarity with all nations and liberating the masses of Filipinos from the tyranny of poverty."

"In this effort, we have joined our neighbors in Southeast Asia and the wider region of the Asia-Pacific in the search for political stability, economic prosperity, and social equity for all our peoples, he told members of the diplomatic corps and top government, police, and military officials.

Ramos said that as a result of this collective effort, the country has begun to recognize regional and national interests, the common vision of an enduring peace and stability in the region, prosperity for all, life together in mutual respect for each other's dignity and independence.

"These regional interests we have learned to take up as our own as necessary to our national life in the new century the world is entering as the freedom of our forefathers won for themselves 98 years ago," he said.

Ramos added that it is his goal to reaffirm the values of freedom, human development, international friendship, and peace on the people and upon future generations to achieve stable peace and sustained development for the region and the world.

During the flag-raising rites at the Aguinaldo Shrine in Kawit, Cavite, the president urged the people to follow the footsteps of national heroes toward optimism.

He said the second century of independence in the country will most likely be attended not only by radical changes in the way the people conduct their lives as a result of technology and evolving relations among nations, but also by the need to give substance to the freedom that was won.

The president said in the past four years, against formidable odds, the government turned both economy and political life around, in pursuit of a new national resolve to develop Asia's first free republic into its "newest tiger cub."

"This can be done, this must be done because the quality of life of the next century of Filipinos will depend on what we do today," he said.

The president, the First Lady Amelita Ramos and top officials of the government were welcomed in Kawit for the Independence Day rites by Cavite Governor Epimaco Velasco, Mayor Federico Poblete, Education, Culture, and Sports Secretary Ricardo Gloria, and General Arturo Enrile, chief of staff of the Armed Forces of the Philippines.

Ramos led the wreath-laying at the tomb of Aguinaldo, the flag-raising on the second floor balcony of the Aguinaldo Shrine, and a tour of the newly renovated Aguinaldo Museum.

From Cavite, the President returned to Malacanang for the *vin d'honneur*.

Philippines Official: MNLF Chief Endorses Peace, Development Council

BK1306042596 *Quezon City Radio Filipinas in English* 0230 GMT 13 Jun 96

[FBIS Transcribed Text] Defense Secretary Renato De Villa is confident that the long-drawn Mindanao conflict is coming to an end. He said he was reacting to the MNLF [Moro National Liberation Front] Chairman Nur Misuari's endorsement of government's proposal for establishment of the Southern Philippines Peace and Development Council. According to him, Misuari's willingness provides fresh initiative to pursue the negotiation for peace in Mindanao.

Thailand

Thailand: Foreign Minister on Trip to Malaysia, Singapore

BK1206103896 *Bangkok MATICHON in Thai* 12 Jun 96 p 23

[Unattributed report]

[FBIS Translated Text] Reporting on his recent visit to Singapore and Malaysia, Foreign Minister Amnuai Wirawan has said that he had the opportunity to discuss bilateral and multilateral issues that concern ASEAN, Indochina, and Asia and the Pacific. The topics included economic expansion, trade and investment, education, manpower development, and political and cultural matters. He said, in addition to meeting with leaders of those countries, there are other mechanisms already in place for formulating concrete steps to promote cooperation between the governments and private sectors.

Amnuai said that, although the volume of trade between Thailand and Malaysia is already considerable, it could

expand more rapidly considering the existing trade system, the border inspection of goods, transport facilities, and fishing cooperation. Cooperation in the exploitation of natural gas and oil in the joint development area will soon generate results.

Amnuai said there were discussions in Singapore on investment. Singapore is a major investor in Thailand, particularly by the private sector. "We want to see Singapore play a role in the development of the southern Thai coast because this will generate jobs for the Thai people in the south who now have to go to Malaysia to find jobs," he said.

The foreign minister said that Malaysia and Singapore are interested in a role in development of the Mekong River. A meeting will be held from 17-18 June of Thai, Malaysian, and Singapore foreign and economic ministers to discuss cooperation among ASEAN and countries in Europe, the United States, and Japan, as well as international banking institutions such as the Asian Development Bank, to establish a fund to mobilize technical and financial support for the development of countries in the Mekong basin. If this materializes, Thailand will reap the greatest benefit as the gateway to Indochina.

Thailand: Singapore's Ruling Party Criticized

BK1206083096 *Bangkok THE NATION in English* 12 Jun 96 p A5

[Article by Walden Bello: "Lee's Power and Privilege"]

[FBIS Transcribed Text] The image of Singapore's leaders being an elite marked by incorruptibility and dedication to public service has been sullied by recent events in Singapore. These days, the city-state's long-established ruling elite is coming across to ordinary Singaporeans as "a privileged class ... on the inside track" of property deals, to use the words of Prime Minister Goh Chok Tong.

Goh's remark was touched off by revelations that Senior Minister Lee Kuan Yew and his son, Deputy Prime Minister Lee Hsien Loong, had been awarded luxury condominiums for a total of U.S. \$700,000 (Bt17.5 million) less than the asking price when the properties were later placed on the market.

In a pre-emptive move to contain widespread popular resentment, the ruling People's Action Party (PAP) initiated parliamentary discussion of the issue. But this made things worse, since Lee Kuan Yew, unquestionably still the island state's most powerful figure, launched into an unabashed defence of privilege.

"I am me," THE NEW YORK TIMES reports Lee as saying. "It's not a level playing field." Discounts and

perks for him and other members of the elite were defended by Lee as the natural order of things. "It is a fact of life ... There is no way of me having to join a queue to buy a house, or my wife."

In Singapore, the word "public servant" applied to government leaders like Lee can only be used with a great deal of irony: According to press reports, Lee senior was paid nearly \$1.7 million last year and Lee junior \$1 million, while Goh received nearly \$1.3 million. These figures are far higher than those paid Bill Clinton, Helmut Kohl, John Major, and Jacques Chirac, the leaders of the world's richest countries.

Lee makes more, in salary terms, than CEOs Lucio Noto of Mobil, Livio Simone of 3M, Wayne Sanders of Kimberley Clark, to name but a few members of the U.S. corporate elite, which is the most highly remunerated in the world.

While there is certainly merit to the idea that government officials should be paid good salaries to ward off the temptation to succumb to bribes, it does not take a specialist in political ethics to realise that to award oneself a higher salary than the CEO's of most U.S. and European firms has gone beyond the logic of containing corruption. What we have operating here is not the logic of corruption prevention but something as old as politics itself: the legalisation of corruption and the institutionalisation of privilege and a system of grossly unequal access to resources.

From this perspective, the PAP cannot be distinguished from the transnational corporate elites that vote themselves pay raises, stock options, and perks, with no public checks on their power to do so. Power corrupts, and the PAP leadership has been corrupted by power, though that corruption may have been rendered technically "clean" through executive directives.

But the pervasiveness and elitist defence of privilege is part of the larger rot that is eating at Singapore, and that is the rot of authoritarianism. As central to this system as institutionalized privilege are three other pillars: repression, ideological domination, and social engineering.

Despite his retirement as prime minister, Lee is Singapore's most powerful man. Prime Minister Goh, a member of the second generation of leaders, knows that he and his cohort are still being tested by the patriarch, and in Lee's eyes, the acid test of whether they are fit to rule is if they are tough enough to carry out unpopular decisions. The man's standards are high: one deserves power only after he has transcended all sentimentalism to arrive at a purely technical appreciation of repression. It is, after all, said that one of the master's favourite say-

ings is that "Repression is like making love. It is easier the second time around."

Lee prizes above all being "tough." Being tough is being able to stand up to popular demands for more democratic rights. Being tough is standing up to foreign pressure. Being tough is avoiding both fear and sentimentalism. Being tough is the primordial rule of survival, and loosening up for whatever reason, the ageing mentor has drilled into his pupils' heads, would be the first step in the unravelling of their party's control over the island-state's political life. Seldom has an individual so thoroughly imprinted his character and personality on a political system. As he declared in the recent parliamentary hearings, the system in Singapore is one that "I set up."

This psychology helps explain Singapore's recent refusal to consider recent initiatives of two ASEAN partners. To have given in to the Thai government's recent request for clemency for convicted Thai workers or to Philippine President Fidel Ramos' plea to spare the life of a Filipino domestic helper accused of murder would have earned Goh the worst epithet in the old man's vocabulary: that of being a "Western liberal."

For Lee, dissenters and criminals are synonymous, and in dealing with them, the question of guilt or innocence has always been subordinate to the lesson that their arrest, detention, and execution can teach the general public. The reason that, even in criminal cases, there is little trust in the workings of Singapore's police and judicial systems is that they have so often been manipulated by Lee and the PAP to frame and jail their opponents.

The principle that a person cannot be convicted of a crime if there is a reasonable doubt that he or she is guilty is alien to a system where police and judges, at the instruction of the PAP, routinely create evidence or witnesses to implicate problematic individuals in "crimes" and creatively interpret the law to disqualify opponents from contesting elections, driving them out of office, as in the case of J B Jeyaretnam, a popular member of Parliament, or driving them out of the country, as in the case of another popular figure, Francis Seow.

Legality is important in Singapore, but it is to present a show of justice rather than deliver its substance.

The PAP's success in monopolizing political power for over thirty years cannot be understood without calling attention to its periodic employment of the Internal Security Act, which allows the government to detain anyone without charges for lengthy periods. As Amnesty International puts it: "When the government

has felt that it faced growing criticism from influential circles, such as lawyers, journalists, or students, it has often reacted by arresting or harassing individuals prominent in those fields, and has reduced them to the role of acquiescent observers."

Local newspapers, like THE SINGAPORE STRAITS TIMES, practise self-censorship, and woe to the journalist who falls afoul of the government line. Even confidential government economic projections cannot be cited in the press without incurring a jail sentence, as one journalist found out two years ago. As for foreign publications, which are the only source of uncontrolled news for Singapore residents, those that carry critical stories about the city-state are "gazetted," that is, they may not be sold or distributed without government permission. At one time or another, the following have been "gazetted": Far Eastern Economic Review, Time, Asiaweek, and the Asian Wall Street Journal.

In the most notorious recent case of press intimidation, the Singapore government hauled the International Herald Tribune to court for carrying a story critical of judiciaries in Southeast Asia that did not even mention Singapore by name! Under a 1986 amendment to the Newspaper and Printing Act, the government can charge any newspaper or periodical printed outside Singapore with interference in domestic politics.

It would be a mistake, however, to think that the PAP-government machinery depends only on repression to remain in power. It has also sought to defuse opposition by manufacturing consent and social engineering. This is a Brave New Isle.

The ideology that Lee has constructed is perhaps best described as an ideology of survival. It has several key themes, the central one being that of a small island-state surrounded by big hostile states. The implicit image is that of a Chinese outpost surrounded by unsympathetic Malay hordes, with a large Malay fifth column within the island itself.

A second theme is that Singapore's survival depends on its economy, and this is a fragile mechanism. As Lee Hsien Loong, son and heir apparent to the jefe maximo, puts it, "overnight an oasis can become a desert." To prevent the onset of the desert and the collapse of civilisation it would bring about, politics must play second fiddle to the imperatives of economic growth.

There is a trade-off between economic progress and political rights, for to secure unhampered progress, people must be willing to have their freedoms limited by a "benign elite." Again, Lee senior provides the most candid expression of this dictum: "I am often accused of interfering in the private lives of citizens," he told a

National Day Rally in April 1987. "Yes. If I did not, had I not done that, we wouldn't be here today. And I say without the slightest remorse that we wouldn't be here, we would not have made economic progress, if we had not intervened on very personal matters — who your neighbour is, how you live, the noise you make, how you spit ... or what language you use."

He concluded. "We decide what is right. Never mind what people think. That's another problem."

A corollary of this notion of a trade-off between prosperity and political rights is the idea that Western-style democratic processes like a two-party system and free elections are not only inappropriate but can lead to disaster. To show that he can be just as creative in articulating the philosophy of authoritarianism as his mentor, Premier Goh has said that a one-party system was a necessity in Singapore because "Unlike the United States, our political talent pool is just too small for us to share equally between two parties. Better for us to concentrate our limited talents in the main party and have it represent the broad majority of the population."

As for managed elections, these are necessary because "for a small country like Singapore, we always worry about freak election results. A demagogue ... can cause an election upset ... If he cannot follow up his victory with effective government, disaster will befall the country. Once the country has a great fall, we cannot possibly stick Humpty Dumpty together again."

Thailand: Article Criticizes Lee's Methods in Governing Singapore

BK1306052396 Bangkok THE NATION in English
13 Jun 96 p A5

[Article by Walden Bello: "Freedom in the Eyes of Lee Kuan Yew"]

[FBIS Transcribed Text] Singapore's Lee Kuan Yew and Prime Minister Goh Chok Tong believe that what they have created in the country is relevant to nation-building processes in other Asian countries, including Thailand, the Philippines, and Burma (whose military rulers Lee defends as necessary).

Western values and political processes are inappropriate for so-called Eastern societies, for the latter believe not in the assertion of the individual's rights against the group but "in individuals fulfilling themselves through the greater identity of the group."

Ever since he retired as prime minister a few years ago, Lee has assumed a second career: leading the counter-offensive mounted by Asia's elites against global democratization as the spokesman of the so-called "Asian way of governance" or "Asian democracy."

Stripped to its essence, "Asian democracy" is the universalization of the Singaporean political system, which rests on giving the patriarchal party-state absolute rights and the individual conditional rights, all in the name of achieving the "social good."

The uses of social engineering

Repression and ideology, however, are not enough. The third pillar of the Singaporean political system is social engineering via a social eugenics and housing policy.

A problem that has always bothered Lee is the tendency, as he put it, for "the less economically productive people in the community (to reproduce) themselves "at rates higher than the rest," thereby increasing "the total population of less productive people." To meet the problem, the government in the 1970s and early 1980s introduced an explicitly class-oriented population policy that was designed to discourage non-university graduate women from having more than two children, while encouraging university graduates to have more than two. Though not explicitly so, the policy was also racist, since Lee's bete noire, the Malay community, is also much poorer and thus much less educated than the Chinese population.

Lee's birth control campaign succeeded all too well — with the Chinese community. Chinese fertility rates declined, but the Malay birth rate increased, evoking his nightmare of the Malays gradually becoming a larger minority than could be accommodated in the Singaporean system. Lee has since intensified his efforts to get the Chinese, especially the educated Chinese, to procreate more rapidly, with the PAP [People's Action Party] even experimenting in the late 1980s with "love boats ocean cruises which aimed to match educated women with men who were their academic or social equals!

While the social eugenics policy of the government turned into a tragicomedy, its housing policy has turned out to be a tragic success. Superficial observers of Singapore often call attention to what they regard as its exemplary housing policy, where about 85 per cent of the population has been moved into government-financed housing projects, 74 per cent of which are owner-occupied.

What they fail to point out is that the housing policy was also conceived and carried out to break up the traditional lower-class kampong or slum communities, where discontent and opposition to PAP rule was widespread, and to reconstitute the population in ways that facilitated technocratic control.

Breaking up Malay communities, which were natural breeding grounds for communal opposition, and spread-

ing Malay families among Chinese and Indian families in the housing projects to dilute communal solidarity was a special PAP objective.

Today, Lee and the PAP count the public housing policy as one of their greatest achievements, for it has produced a condition which is likely to keep them in power for the next hundred years: the dissolution of traditional communities and the reintegration of the population into a controllable, pliable mass of individuals without communal solidarity.

Constantly, the PAP blares out the message that public housing has achieved the public good, but the other side of the story sometimes slips out, as when one housing minister admitted that the housing estates were turning out to be "soul-less monstrosities."

The Prince

I ended an article I did last year on Singapore with the following. "In *The Prince*, Machiavelli asks whether it is better for the prince to be loved or to be feared, and proceeds to show why it is better to be feared."

Lee has clearly learned his Machiavelli. But in the over forty years that he has dominated Singapore's political scene, he has gone on to do something that Machiavelli would have himself admired: create a unique system of permanent domination by his party that combines repression, ideological domination, and social engineering."

I am no longer that pessimistic. The recent developments in Singapore have sparked widespread public resentment and condemnation.

Singapore's citizens, most of whom in the past swallowed Lee's propaganda about the Singaporean Chinese political and economic superiority owing to their "cultural ballast" (presumably in contrast to "licentious" Thais, "unpredictable" Malays, and "undisciplined" Filipinos), may finally be stirring and waking up from the Big Sleep.

Thailand: Singapore's Lee Asked To Apologize for Suu Kyi Remarks

BK1306045996 Bangkok THE NATION in English 13 Jun 96 p A4

["Open letter" from "Overseas National Students Organisation of Burma, Burmese Students Association (Safe Area), All Burma Students' Democratic Front, All Burma Basic Education Students Union (Thailand), and Federation Trade Union of Burma" to Singapore's

Senior Minister Lee Kuan Yew — place and date not given]

[FBIS Transcribed Text] We are the Burmese students who fled to the Thai-Burmese border after the 1988 bloody military coup staged by the State Law and Order Restoration Council (SLORC). We managed to escape the brutal suppression of the pro-democracy activists, but hundreds of thousands of our colleagues have been killed, tortured, and many of them are being held behind bars for their calls for democracy and human rights in their motherland. We, the undersigned students, are committed to work for the restoration of democracy and human rights in Burma.

We deeply deplore your recent comment on Aung San Suu Kyi, 1990 Nobel Peace Prize laureate of Burma. SLORC has ignored the result of the 1990 election where NLD [National League for Democracy] won 85 per cent of the seats and has continuously cracked down on the opposition. SLORC has been condemned by the United Nations and international community for its human rights violation and its failure to transfer power to the people-elected representatives. However, most Asian countries, especially ASEAN-member countries, are trading and continuing economic relations with SLORC claiming "constructive engagement" is the best policy for democratization in Burma. At the same time, these countries, including Singapore, are turning a blind eye to the human rights abuses in Burma perpetrated by the ruling military junta and the lack of rule of law in the country.

The recent crackdown on Suu Kyi and her election-winning NLD party clearly expresses that constructive engagement has moved neither Burma nor SLORC towards democratization. A few Asian countries expressed their concern about SLORC's suppression of the democratic forces while others ignored the political suppression inside Burma as "internal affairs." It is a preposterous contradiction for you to say that Suu Kyi may not be able to govern her country and would be better off remaining a political symbol while your government is saying they do not want to interfere in Burma's internal affairs.

Since her almost six years under house arrest, Suu Kyi has called for dialogue in order to solve the political problems in Burma. Her repeated calls for dialogue have been ignored by SLORC. Moreover, SLORC has openly threatened to ban the NLD if it continues democratic activities. We strongly denounce SLORC's refusal to engage in dialogue, the best way to solve the political dilemma in Burma. We express our complete support for Suu Kyi and her calls for dialogue.

We have been urging the international community to pressure for the accomplishment of dialogue between Suu Kyi and SLORC. While we believe in the people's power inside Burma, we also understand that international pressure could push SLORC to the political roundtable. Instead of putting pressure on SLORC, most ASEAN countries including Singapore are dealing with SLORC and enjoying the economic privilege under the name of "constructive engagement."

Moreover your recent comment on Suu Kyi, our leader of the democratic movement against the military dictatorship, is deplorable. The support for her by the people was clearly expressed in the 1990 election and is evident now in the increasing growing gatherings in front of her residence as an act of defiance by the people against the military's unlawful laws and orders.

We would like to ask you to look at Burma's situation as the struggle between the ruling military regime and democracy-loving Burmese people led by Suu Kyi. Suggesting that Suu Kyi, who is recognized as the leader of the democratic struggle in Burma, should remain only a political symbol is an insult to the will of the whole Burmese people. We are also wondering if your statement was made in order to defend your so-called "Asian values" that promotes male chauvinism and seniority.

We would like to ask you in regard to your recent comment on Suu Kyi to recognise the crucial importance of her active participation in politics and to make a public apology for your previous comment. Also we would like you to "interfere" in the situation of Burma by pressuring SLORC to have genuine political dialogue with Suu Kyi immediately.

[Signed] Overseas National Students Organisation of Burma, Burmese Students Association (Safe Area), All Burma Students' Democratic Front, All Burma Basic Education Students Union (Thailand), and Federation Trade Union of Burma.

Thailand: Official Says Burma's Suu Kyi 'Pushing Too Hard'

OW1306104596 Tokyo KYODO in English
0840 GMT 13 Jun 96

[By Varunee Torsricharoen and Ken Hayashi]

[FBIS Transcribed Text] Bangkok, June 13 KYODO - Myanmar's [Burma] pro-democracy leader Aung San Suu Kyi is pushing too hard for democracy, a senior Thai Foreign Ministry official said in an interview with KYODO News.

"The only regret is that Aung San Suu Kyi makes a maximum demand instead of being practical to

liberalize the political regime in Burma (Myanmar)," Thep Devakula, the ministry's permanent secretary, said in the interview Wednesday [13 June].

"Do you think if power was transferred to Aung San Suu Kyi today, can she and the NLD (National League for Democracy) hold the situation? I don't think so, I think there will be a lot of things that could be out of control," said Thep, who basically supports Suu Kyi's course for democracy.

The western media gave Suu Kyi a "false hope" of getting power and encouraged her "to the wrong direction," Thep said. "Wouldn't it be better for Aung San Suu Kyi to engage herself in the process of (the military government's) drafting a constitution?"

"They (Myanmar's ruling State Law and Order Restoration Council — SLORC) are preparing to relinquish their supreme political power and to share it with the people. They want to admit the participation of the people," said Thep.

Thep said Myanmar's general election in 1990, won in a landslide by the NLD led by Suu Kyi, was not supposed to be for a transfer of power. "It is very important indeed, you will jump the gun by saying that the last election was for the transfer of government."

Myanmar, which Thep called "a virgin land of democracy," should be given time to develop its political system and western countries should not put pressure on it, he said.

"The model of Myanmar's constitution is based on Indonesian constitution. If Indonesia's constitution is acceptable to the western countries, why not Myanmar's? And that (Myanmar's constitution) is far better than the socialist or Soviet one," Thep said.

He also said the SLORC paid "the real effort" to sign cease-fire agreements with Myanmar's ethnic minority groups. Since 1989, the military junta has signed cease-fire agreements with a total of 15 armed minority groups, except for the Karen National Union (KNU).

Meanwhile, Thep expressed admiration for Japan's policy toward Myanmar. "I think Japan is trying the best keeping contacts with both the Burmese Government and Suu Kyi."

"Japan even went so far as offering development assistance to improve the public health and hygiene as well as agriculture technology. Those are things which Burma needs and that would help the process of political development inside Burma," he said.

"It is a foolish intention of the U.S. Government to try to get ASEAN to speak to SLORC to accept Aung San Suu Kyi," Thep said.

By joining the Association of Southeast Asian Nations (ASEAN), Myanmar leaders would also realize how far their country has been left behind by the rest of the region, Thep said.

Myanmar is expected to be granted the status of an ASEAN observer when foreign ministers from the group's seven member nations gather in Jakarta next month for their annual meeting.

In an ASEAN regional forum meeting last month in Jogjakarta, Indonesia, Myanmar was accepted as a full member of the regional security body along with India.

ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, plans to increase its membership to 10 by the end of this century by including Cambodia, Laos and Myanmar.

Thailand: ASEAN Urged To Engage Burmese Opposition

*BK1306064596 Bangkok THE NATION in English
13 Jun 96 p A4*

[Editorial: "ASEAN Must Engage Burma's Opposition"]

[FBIS Transcribed Text] ASEAN has once again shown its true colours with regard to the recent developments in Burma. In the name of non-interference, ASEAN is willing to forego norms and principles that have been crucial in fostering regional cooperation through the grouping.

Sad to say, the regional grouping now has become anti-people — ignoring the will of democracy-loving Burmese people — in support of Burma's military junta.

Indonesia is the chairman of ASEAN this year and seems to be in a Catch-22 situation because of its blemished record of human rights abuses and military repression in the country. Because of this, it is difficult for Jakarta to do anything in Burma in order to prevent the current situation prevailing there from getting out of hand.

Foreign Minister Ali Alatas was quick to point out that there was no need to meet anyone or talk to any person on the issue of the crackdown of Aung San Suu Kyi's National League for Democracy [NLD] by the junta calling itself the State Law and Order Restoration Council (SLORC).

In other words, in the eyes of ASEAN, the atrocities that have been going on in Burma over the past few months never took place. It's the ASEAN concept of see no evil and speak no evil.

ASEAN, nevertheless is in a position to help Burma attain democracy and prosperity.

The fact that half of ASEAN are democratic states with burgeoning economies should be a testimony to the common spirit of the regional grouping. Coddling a military dictatorship and ignoring the democratic aspirations of the Burmese people is anathema to that spirit of ASEAN.

But somehow, none of the ASEAN member states are willing to confront the Burmese junta directly.

When Thailand was a chairman of ASEAN in 1994, it was instrumental in inviting Burma as a special guest to attend the ASEAN foreign ministerial meeting in order to break SLORC's isolation by the international community.

But at that time, because of pressure from Thai people's groups, Bangkok also delivered a strong message to the Burmese junta that the time was ripe for national reconciliation with the NLD in order for peace and prosperity to return to Burma.

Maybe other ASEAN states should take a cue from Thailand. During the tenure of Chuan Likphai as the country's premier, a team of Nobel peace laureates visited the Thai-Burma border to express their solidarity with Suu Kyi and to press for her release from house arrest.

The visit, nevertheless, caused an uproar in Rangoon but Thailand's response was that it was in line with the country's national policy of promoting democracy and freedom — in accordance with the May 1992 pro-democracy movement.

And recently, Thailand again reiterated that constructive engagement with SLORC must bring about national reconciliation in Burma.

Why is the rest of ASEAN so allergic to Burma's pro-democracy movement? And why are they so keen to keep on propping up the military junta there?

Lest it loses its credibility in the eyes of the international community and be stigmatised as an antipeople's organisation, ASEAN must now seriously answer these questions.

It is oppression that will eventually lead the Burmese people on to the streets to topple the authoritarian military rulers. If ASEAN fails to constructively engage the pro-democracy movement, the regional grouping will be at a loss in dealing with them later when Burma is free.

Thailand: Commentary Views Reported Death of Pol Pot

BK1106113596 Bangkok DAILY NEWS in Thai
11 Jun 96 p 2

[Commentary by Trairat Sunthonpraphat: "Is Pol Pot Dead?"]

[FBIS Translated Text] The report about the death of Khmer Rouge leader Pol Pot, who was 68, is a surprise and probably true because he had been suffering from malaria and heart problems for some time. However, the report could not be confirmed, not by Beijing, Vietnam, or Phnom Penh. Even Thai national intelligence sources said Thai intelligence should know first if Pol Pot really died.

Reports, including those by Cambodians coming from the area controlled by Pol Pot late last month, agreed that Pol Pot was seriously ill. Chum Sambath, Cambodian Defense Ministry spokesman, told newsmen that it was highly possible that Pol Pot had died after a long illness. Sambath pointed out that it was impossible to hope that the Khmer Rouge would formally announce Pol Pot's death, because such news would be kept top secret in the interests of Khmer Rouge fighters' morale.

Cambodian diplomats based in Thailand, Vietnam, and China, who should be the authorities on news relating to Khmer Rouge, said they have no information about Pol Pot's death. The latest information from Thai military sources preceding the reported death of Pol Pot was that he was receiving medical treatment at Phum Malai. They added that Thai sources would know before other sources if Pol Pot died. They said there would be a reshuffle of other Khmer Rouge leaders to replace Pol Pot and carry on revolutionary activities.

Meanwhile, other Khmer Rouge leaders — Khieu Samphan, Ta Mok, and Ieng Sary — have shown no inclination to cease their determined fight against the Cambodian leaders in Phnom Penh despite condemnation by the West, which has claimed that the Khmer Rouge had atrociously killed some 2 million people. Regardless of the accuracy of the claim, the image of the Khmer Rouge is irretrievably bad because any mention of the Khmer Rouge by Western media is always accompanied by the accusation about it being responsible for the death of 2 million Cambodians.

If there is any good deed the Khmer Rouge had done it was that it had prevented the Vietnamese from swallowing up Cambodia and in turn made Thailand safe from the threat of Soviet-line communism spearheaded by Vietnam. The Khmer Rouge was the main Cambodian force fighting the Vietnamese aggressor; the Sihanouk

and Son Sann forces played only minor anti-Vietnamese role.

If the reported Pol Pot death is true, the Khmer Rouge will be somewhat weakened, but other colleagues of Pol Pot will continue to wage their struggle. The Khmer Rouge could eventually fade away if China withdraws its support and Thailand applies pressure.

In any event, Cambodian leaders in Phnom Penh are not that much better. They are a selfish bunch and their disagreement is so serious that they have sought to topple each other. History has shown that it was Cambodian leaders who hurt Cambodia, not anyone else.

Thailand: ASEAN Industrial Project To Broaden Regional Cooperation

*BK1006051896 Bangkok THE NATION in English
10 Jun 96 p B1*

[Report by Watcharaphong Thongrungr]

[FBIS Transcribed Text] The Asean Working Group on Industrial Cooperation has agreed to permit member countries to determine independently the "national equity ownership" issue of projects which are entitled to 0 to 5 per cent import tariffs under the Asean Industrial Cooperation (Aico) scheme.

The huge automotive industry is one of the sectors that will benefit from Aico, which will broaden regional cooperation beyond the level achieved by the current Brand-to-Brand Complimentation (BBC) scheme.

The agreement was reached at a recent meeting in Kuala Lumpur where the working group prepared a note to the Basic Agreement on Aico as assigned by the Asean economic ministers, said a Thai official source. According to this agreement, member countries may grant exemptions to projects whose national ownership is less than 30 per cent to enable them to qualify for the tariff privileges under Aico.

A minimum 30 per cent of national equity ownership is one of the requirements under Aico, which will immediately benefit from 0 to 5 per cent tariffs, the target set by the Asean Free Trade Area (Afta) programme for implementation by the year 2003.

Projects which meet all other requirements but minimum national ownership, will be subject to approval by the governments of member countries concerned. An official document says: "The equity condition may be waived under the following examples:

1. Participating companies are engaged in the manufacture of a new product, or use a design, formula, method,

process or system of production that is new or untried in participating countries.

2. Participating companies have linkage with small and medium enterprises (SMEs) or involved SMEs in the Aico arrangement."

3. Participating companies undertake certain export commitments.

4. Participating companies are engaged in high value-added manufacturing activities.

5. Participating companies are located in designated zones or priority areas.

6. Participating companies have Asean cumulative equity of at least 30 per cent."

In Thailand, the Industry Ministry will be responsible for approving the projects.

At the Kuala Lumpur meeting late last month, the Asean working group could not resolve the issue of whether tariff privileges will be given to final products, raw materials and intermediate products, or just final products. Most member countries supported the all-product proposal, but Malaysia preferred only final products.

The Senior Economic Official Meeting (Seom) or Asean Economic Ministers will have to determine this issue.

The source said automotive firms can still apply for the tariff privileges under the BBC scheme while Aico is not yet effective. BBC allows auto-makers to enjoy substantial tariff reductions for the exchange of auto parts among member countries, but Aico will lead to broader cooperation, with involvement of parts makers as well.

The Aico scheme will go into effect when the foreign ministers of member countries sign the agreement.

Thailand: Central Bank Reports Reduction of Foreign Funds

*BK1106091696 Bangkok BUSINESS DAY in English
11 Jun 96 p 1*

[Report by "staff writer"]

[FBIS Transcribed Text] The Bank of Thailand [BOT] says the monthly value of foreign capital inflows for the first five months of this year has been declining due to the preparation on the part of financial institutions to cope with BOT measures to cool the inflow of short-term capital.

BOT Deputy Governor Roengchai Marakanon gave credit to the 7 percent cash reserve on less than one year short-term foreign capital for putting an effective

barrier against foreign capital though it is not yet in effect.

The measure will be effective from June 23 for commercial banks and June 28 for finance companies.

He said the value of foreign capital inflows for the first five months of this year reached 184 billion baht but as from February, the monthly value has been on a downtrend.

The values of foreign capital inflow for January, February, March, April and May were 81 billion baht, 35.5 billion baht, 37 billion baht, 15.5 billion baht, and 15 billion baht respectively.

From April to May, around 20 billion baht worth of foreign capital flowed out of the country, said Mr. Roengchai. The reason was that in April the Cabinet approved the Finance Ministry and central bank's proposed monetary measures to screen out short-term money in favor of quality long-term foreign capital.

He added the value of foreign capital of less than one year was also reduced soon after the measures were introduced.

Foreign capital inflows through nonresident baht accounts for the month of May still maintain a consistent inflow with 10.5 billion baht, 3.9 billion baht and 8.3 billion baht recorded for the periods of May 10-16, May 17-23, and May 24-30, said Mr. Roengchai.

In the case of private borrowing in May, 4.4 billion baht worth of foreign capital flowed out of the country during the period May 24-30 because of debt repayment made by financial institutions in advance of the 7 percent cash reserve measure becoming effective.

About 1.3 billion baht and 125 million baht worth of foreign funds were borrowed for the period of May 17-23 and May 10-15 respectively, said Mr. Roengchai.

Foreign investment in the Stock Exchange of Thailand for the month of May showed quite an improvement as the prime minister announced the results of the cabinet reshuffle.

For the period of May 10-16, about 147 million baht worth of foreign money flowed out of the country.

The situation improved during May 17-23 when foreign investors headed back this way with 272 million baht.

The value of foreign investment in the stock market went up during May 24-30 to 620 million baht, he added.

Mr. Roengchai said the values of general foreign investment for May 24-30, May 17-23, and May 10-

16 were 745 million baht, 397.5 million baht and 145 million baht.

Improvement is also visible during the period of May 24-30 when many positive changes took place to boost the stability of Thailand's economy, he said.

Thailand: Bankers Comment on 'Sharp Decline' of Exports

BK1306045696 Bangkok THE NATION in English
13 Jun 96 p B1, B2

[Report by Charuwan Loetwinyu]

[FBIS Transcribed Text] The president of Siam Commercial Bank [SCB], Olan Chaiprawat, said the sharp decline in export growth during the first four months of this year showed that Thailand's export structure is at a turning point and could send shock waves nationwide.

Speaking at a Vision 2000 seminar yesterday, Olan said the impact of changes to the export structure will be dramatic, similar to what Thailand experienced in 1989 when the economy began booming, only this time the impact could be negative.

"The trend is telling us that our luck is running out," he said.

Olan was referring to the sharp decline in growth in the central bank's export figures for the first four months, which rose by 8.67 per cent compared to a 25 per cent increase in the same period last year. During the first quarter, exports rose 7.28 per cent compared to a 24 per cent surge in the same period a year ago.

Bandit Nitthawon, director of the central bank's economic research department, earlier said that the Bank of Thailand is studying whether the lower export growth is due to changes in the country's export structure, which is slowly moving away from labour-intensive products to higher technology.

The difficult situation the country now finds itself in is that although it has steadily lost competitiveness in labour-intensive industries, it is not yet ready to move further up the development ladder.

The result is a sharp fall in export growth. Olan said he could neither specify the reason behind the sharp decline in export growth nor predict what will happen to Thailand's exporting sectors. However, he asserted that the magnitude of the impact from the changes will be enormous, similar to what we experienced after the oil crisis in the 1970s and the baht devaluation in the 1980s."

Olan also forecast that the ratio of exports to the gross domestic product will inevitably slow during the next five years.

Exports accounted for 36 per cent of the GDP in 1990 before dramatically rising to 47 per cent five years later. But Olan said that up until 2000, exports are expected to account for 50 per cent of GDP. The exports to GDP ratio, although rising, will be at a much slower pace than in the past.

Bangkok Bank's senior executive vice president, Phisit Li-atham, was also unable to specify what caused the country's exports to rise at a much slower pace during the first four months of this year.

Phisit said it could be either last year's flooding, which lasted four months, or changes in Thailand's export structure.

No matter what caused export growth to decline, the slump is sure to force the real GDP to fall.

Phisit said the central bank's 8.3 per cent GDP growth target may be too high for the country to achieve by the end of the year.

However, unlike Olan, who is quite pessimistic about the impact of the alterations to Thailand's export structure, Phisit said the slowdown of export growth creates downward pressure on the country's current account deficit.

But whether the decline in export growth will also lead to a fall in inflation is questionable.

SCB president Olan also predicted that while exports as a proportion of GDP will decline, the local capital and money markets will depend increasingly on foreign capital inflows over the next five years.

Over-dependence on short-term, footloose foreign capital could destabilise the economy if it moves out of the country overnights. While the country depended on only 15 per cent of foreign funds in the money market six years ago, the ratio nearly doubled to 25 per cent in 1995. During the next five years, although the rise will be at a slower pace of 30 per cent, considering that the market will be ever larger, "you can imagine how much more we will have to depend on foreign capital," Olan said.

The same thing might happen to the stock exchange, whose market capitalisation was Bt3.5 trillion in 1995 and could double by 2000.

Thailand: Prime Minister Increases Budget for Armed Forces

BK1206043796 Bangkok THE NATION in English 12 Jun 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha yesterday approved an additional budget of Bt[baht]5 billion for the armed forces as requested by military officers, sources said.

Banhan had called a meeting at Government House with Defence Minister Chawalit Yongchaiyut and military leaders to "clear confusion" over arms purchases.

"Everyone now has a better understanding," he said after the two-hour meeting to discuss their requests after the government had shelved some military purchase plans. After our meeting I now understand their needs and have assigned the proper agencies to look at whether we can adjust the budgets in some areas," Banhan added.

The military leaders declined to comment, but a smiling Supreme Commander Wirot Saengsanit said: "Look at my face. Do you see me smiling?"

Also present at the meeting were Deputy Prime Minister Amnuai Wirawan, Finance Minister Bodi Chunnanon, and representatives from the Bank of Thailand, the National Economic and Social Development Board (NESDB) and the Budget Bureau.

The sources said the Army would get about Bt3 billion — Bt700 million to Bt800 million to repair 100 Scorpion tanks, Bt306 million for the General Staff College, Bt500 million for the Army College and Bt1.6 billion for other projects.

The Air Force will receive Bt1 billion to purchase a second batch of eight F-18 jet fighters after it had already signed a contract to buy 16 F-18s, the sources said.

The Navy will be allocated Bt1 billion to purchase ships to clean up oil slicks, according to the sources. However, the prime minister did not ask about the proposed submarine and satellite projects.

At a press conference, Banhan said the NESDB had asked the military leaders to prepare purchase requests for the next five-year period.

He claimed the officers agreed to a proposal to purchase arms using the countertrade system.

The system would enable the military to purchase more weapons while the government could sell more farm products, the prime minister said.

He confirmed that the meeting did not discuss the submarine and satellite projects.

Bodi said the officers agreed that they would try to purchase weapons without worsening the country's current account deficit.

The officers also agreed to buy weapons using farm products to cover about 20 to 50 per cent of the costs, he added.

Meanwhile, Banhan denied he would name Supreme Commander Wirot to replace Chawalit as defence minister, and said certain people often spread rumours to hurt the government.

He would not reply when asked if he had a conflict with Chawalit.

Thailand: Thoe Thai Faction To Support Thaksin In Future Censure

BK1206051396 Bangkok THE NATION in English
12 Jun 96 p A1, A3

[Unattributed report]

[FBIS Transcribed Text] THE beleaguered Chat Thai Party's Thoe Thai faction, in a display of political showmanship, yesterday declared it will definitely support Deputy Prime Minister Thaksin Chinnawat if he is censured in Parliament, no matter how strong the opposition's attack.

Meanwhile, Prime Minister Banhan Sinlapa-acha, in a last-minute attempt yesterday, was unsuccessful in persuading the Prachakon Thai Party to remain in the coalition government. However, he still requested its party leaders to work together again with the government in the future, a move seen as an effort to buy time, allowing him to carry on with 214 MPs while still enjoying Prachakon Thai loyalty from a distance.

Chat Thai MP Kasem Rungthanakiat, a Thoe Thai member, said faction members had resolved to back Thaksin and give him a vote of confidence if he is grilled. The move is aimed at demonstrating the group's stance of putting the public interest ahead of any personal differences it had with Phalang Tham Party [PDP] leader Thaksin, he claimed.

Thaksin is expected to be censured during the next House session in the second no-confidence debate in three months on grounds that he is not qualified to hold a ministerial post because of government concessions granted to telecommunications businesses connected to him.

But he will definitely receive the support of the Thoe Thai, regardless of whether he clears himself of the charges, Kasem vowed.

Although the opposition may have 'concrete' information, Thoe Thai members will support Thaksin. He is a hero. We are like corpses. If we do not raise our hands in support of Thaksin, we will become villains," he said. "If the group does anything to Thaksin, the public may think we are taking revenge against him."

Five Thoe Thai members resigned from the Cabinet last month in protest against the PDP, which withheld its support for former deputy interior minister Suchat Tancharoen, a core leader of the faction, after the last censure debate in mid-May.

Deputy Interior Minister Anusson Wongwan, a Thoe Thai member, echoed Kasem's vow, saying his group would not cause any political disturbance, especially involving the PDP, in the new House session beginning on July 10. The opposition is expected to mount another no-confidence debate shortly after Parliament resumes.

Meanwhile, Cabinet members from the Prachakon Thai Party formally submitted their resignations yesterday, to take effect on Saturday, to Banhan.

The three ministers — Deputy Prime Minister Samak Sunthorawet, Science Minister Yingphan Manatsikan and Deputy Commerce Minister Chaiphak Siriwat — attended their last Cabinet meeting yesterday.

Banhan said there will be no problem with the government's stability after the party's withdrawal from the government takes effect.

He said he would still invite Prachakon Thai leader Samak to attend a press conference to announce the government's achievements after one year in office.

Yingphan said that after the pullout, Prachakon Thai would remain neutral until after the Budget Bill was passed by Parliament. After that, we will act as an opposition party," said Yingphan, the Prachakon Thai secretary-general. The party will today hold a meeting to set guidelines for party members, he added.

Thailand: Daily Criticizes New Aspiration Party's Telecom Policy

BK1206054596 Bangkok THE NATION in English
12 Jun 96 p A4

[Editorial: "Can We Have A Proper Telecom Policy, Please?"]

[FBIS Transcribed Text] The notion put forward by New Aspiration Party [NAP] leader Chawalit Yongchaiyut that the telecom master plan can wait

while more fixed telephone lines are installed as quickly as possible is becoming more absurd by the day.

Chawalit, de facto minister of transport and communications, is achieving neither of his objectives of increasing the number of telephone lines by six million or ensuring reasonable prices are charged by cellular phone companies.

During the past 10 months, the telecom policy of this government has become anarchic. There is no sense of accountability or transparency. The two state agencies — the Telephone Organisation of Thailand [CAT] and the Communications Authority of Thailand [TOT] — have not only been ignored but have also turned into puppets of major telecom firms.

These companies have been allowed to lobby for whatever they want. And they are now walking away with projects which have not been properly screened and are likely to cause problems in the future because of the lack of competition. In the meantime, no ground rules have been set because Chawalit thinks that the telecom master plan would just cause delays in the development of the telecom sector.

Questionable Projects

Two questionable projects of late have been approved. The first is the CAT's decision to allow United Communication Industry Co [Ucom], one of two cellular service providers, to sublease two band widths — something usually regarded as a public good which must be allocated by the state. Worse still, Ucom handed out the cellular band widths to joint venture companies which it has stakes in. This is the start of perhaps a complex web of monopoly in the future.

Another was the recent decision by the TOT to form a joint venture with Telecom Holdings Co, an affiliate of TelecomAsia Plc, to invest Bt8 billion in a multimedia network that would become a carrier for cable TV services. TOT would hold a 20 per cent stake while Telecom Holdings will take up 80 per cent. Telecom Holdings' rival, Chinnawat quickly charged that the joint venture had been passed without proper procedures, pointing out it should first be screened under the Public/Private Joint Venture Act, which was passed during the Anan government and designed to prevent abuses and corruption.

Chinnawat has a point. It also noted that TOT should become a majority shareholder to maintain fairness in network allotment and pricing. But Telecom Holdings said that this joint venture need not come under the act because it was its own initiation.

Short Memories

It is worth remembering however that the original TOT board resolution was that TOT should be the majority shareholder and the cable operators should become partners. TOT now cannot explain why it is taking a minority stake. The agency seems to be forgetting who it is and what is its role.

These two cases point to a "free for all" atmosphere and so much for the New Aspiration Party's objectives of installing more phones and having fair pricing. It appears to be doing the opposite. Its lack of interest in the telecom master plan means that no new players are being encouraged to enter the industry to promote more competition. Its humiliation of TOT and CAT means that the two agencies would rather keep quiet than to act as regulators.

So what has the NAP done? It has quickly converted public monopoly into private monopoly.

Somehow, Chawalit thinks that he deserves to be the next prime minister.

On his record to date as head of the Transport and Communications Ministry, the implications for the country are little short of disturbing.

Thailand: Government Plans Economic, Social Structure Reforms

BK1106075096 Bangkok BANGKOK POST
in English 11 Jun 96 p 1

[Report by Yindi Thanyasiri]

[FBIS Transcribed Text] Economic and social structures are to be overhauled to enable future governments to cope more effectively, government spokesman Somsak Pritsanananthakun said yesterday.

The country has been plagued by complex economic and social problems, some of which remain unresolved for years despite efforts to tackle them, he said.

Prime Minister Banhan Sinlapa-acha had realised the shortcomings of his administration to address the problems effectively, he said.

The prime minister, he added, is determined to lay the groundwork so his government or future administrations would be able to cope with problems that have become more complicated in a changing world.

"We need to overhaul the old structures otherwise we will never be able to cope with change," Mr. Somsak said.

To begin with, he said, the Government would set up a committee, headed by Mr. Banhan himself, to

identify structural problems, both social and economic, and recommend reforms, said Mr. Somsak.

Deputy prime ministers overseeing economic affairs will be deputy chairmen, and members will comprise resourceful people in the economic field from both the public and private sectors.

At the same time, PM's [Prime Minister] Office Minister Phokin Pholakun has been assigned to look into social problems and report to the Government on to improve coordination between the executive and legislative branches for proper solutions. Such social problems include land and forest encroachment, destruction of other natural resources and labour injustice.

"With clear-cut guidelines, the future government will not have to start all over again from zero to address these problems," said the spokesman.

While economic and social reform needs to be undertaken, Mr. Somsak said political reform must carry on because economics and politics are closely related.

The Government is currently embarking on political reform through amending the Constitution. Several recommendations for reform were made by the Democracy Development Committee headed by Professor Prawet Wasi, but they were turned down by the Government.

Mr. Banhan, he said, does not care whether his administration survives to witness the implementation of the reform.

On the withdrawal of the 18-MP Prachakon Thai Party from the Government from June 15, the spokesman was optimistic that this would not affect the Government's stability as the 214 votes in hand constitute more than one half of the 391-seat House of Representatives.

Vietnam

SRV Foreign Ministry on Visa Restrictions, PRC Nuclear Test

BK1206151196 Hong Kong AFP in English
1044 GMT 12 Jun 96

[FBIS Transcribed Text] Hanoi, June 12 (AFP) — Vietnam insisted Wednesday that it was issuing visas normally despite a US State Department warning of restrictions on foreigners entering ahead of the Communist Party Congress this month.

"There is no change in the Vietnamese government's policy on entry and exit of foreigners," a foreign ministry official said in response to a query on the US advisory.

Vietnam has repeatedly said it is issuing visas normally but numerous embassies in Hanoi, travel agents overseas

and tourists have said that Vietnamese consulates have stopped giving them out.

The State Department said that Vietnam had stopped issuing visas ahead of the Congress, due to open on June 28, and that Vietnamese consulates were advising travellers to postpone their trips.

It also warned that some tourists who had already been issued visas may be refused entry to the country and said that visitors should carry copies of their passports as police were trying to verify the identity of foreigners in Vietnam.

The handful of travellers arriving in Hanoi have said the planes they came in on were nearly empty, a rare occurrence on the normally crowded international flights into the Vietnamese capital.

Numerous foreign companies in Hanoi have said that their executives planning visits here have also been told they could not get visas until after the congress.

[AFP at 0909 GMT on 12 June adds: "Vietnam has called for an immediate halt to all nuclear tests, a spokesman for the foreign ministry said Wednesday, following China's explosion of a nuclear device at its Lop Nor testing ground. In response to questions, the foreign ministry issued a statement that called for 'an immediate and indefinite halt to nuclear tests' but the ministry did not refer to China by name. It called on all signatories of the Nuclear Non-Proliferation Treaty to respect decisions adopted last year at a conference at the United Nations in New York to eliminate all nuclear weapons."]

SRV: Deputy Premier Receives PRC Provincial Party Secretary

BK1306150296 Hanoi VNA in English
1430 GMT 13 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 13 — Deputy Prime Minister Phan Van Khai today received Mr. Gao Yan, member of the Communist Party of China Central Committee and secretary of the party committee of Yunnan Province who is here on a working visit to Vietnam.

At the reception, Mr. Gao Yan expressed his fine sentiment to the country and people of Vietnam and the national renovation process. He wished for further promotion of the friendly and cooperative ties between Yunnan Province with Vietnam's localities, especially in the field of commerce, as the China-Vietnam railway has been recently put into operation.

Deputy Prime Minister Phan Van Khai affirmed the time-honoured neighbourly relations between the two

peoples and spoke highly of the cooperation and exchange between Yunnan Province with provinces and cities of Vietnam. He said he believed that the province's big firms would strengthen their business with Vietnam in the fields of export, import and business.

During the visit Mr. Gao Yan had working sessions with officials of the Ministries of Planning and Investment, and Transport and Communication.

SRV Commentary Views Russian Ties, Welcomes Election

*BK1206144396 Hanoi Voice of Vietnam in English
1000 GMT 12 Jun 96*

[Station commentary]

[FBIS Transcribed Text] The Russian people are now celebrating the fifth anniversary of the declaration of national sovereignty. There have been many fluctuations over the last five years in the Federal Republic of Russia, the biggest country of the former Soviet Union. Here is our comment:

It was a rare and strong turning point in the history of Russia when the Russian people approved the declaration of national sovereignty five years ago. In this period, Russians have experienced both in huge (?enthusiasm) and desperation, but they are proud of their achievements. Russia now has a standard Constitution stipulating all basic provisions of a federal system and of a power structure. Russia has also overcome threats from separatists to maintain the unity of the Russian Federation. Most recently, it was successful in solving the Chechen issue. Despite difficulties, Russia has obtained considerable achievements in stabilizing its economy. Escalating inflation and prices have been reduced.

In its active policy, Russia intends to maintain and develop good relations with traditional friends and to promote relations with Vietnam in particular. The Russian ambassador to Vietnam, Mr Khamidoulin, expressed belief that in a not-too-distant future, bilateral relations between Russia and Vietnam will be further developed in the interest of both nations.

Marking their fifth national day, the Russian people again are reviewing what they have obtained in forming and consolidating the Russian state. It is a hardship road leading to a better future. The coming Sunday presidential elections will be a new contribution to the firm foundation of the Russian state.

SRV: Deputy Prime Minister Receives Egyptian Guest

*BK0806092896 Hanoi VNA in English
1548 GMT 7 Jun 96*

[FBIS Transcribed Text] Hanoi VNA June 7 — Deputy Prime Minister Nguyen Khanh received here today an assistant to the Egyptian foreign minister, Mr. Sayed Abouzeid, now on a working visit to Vietnam.

Mr. Sayed Abouzeid who is charge of Asian affairs was accompanied by deputy assistant to the Egyptian foreign minister, Mr. Ahmed Goma.

Deputy Prime Minister [PM] Khanh and Mr. Abouzeid highly valued the time-honoured political ties between the two governments and peoples which, they affirmed should be maintained and developed. They noted that economic relations between the two countries have not been developed satisfactorily and that more attention must be paid to further promote these ties.

To this end, the two governments would create favourable conditions for cooperation and exchanges between their business people.

On this occasion, Deputy PM Khanh expressed his wish that the Vietnamese people would better their understand the Egyptian culture through bilateral cultural cooperation between the two countries.

The Egyptian delegation paid a floral tribute to president Ho Chi Minh at his mausoleum and called at his residence.

Mr. Abouzeid also had a meeting with students of the international relation institute in Hanoi.

During the Vietnam visit, the Egyptian diplomat and Deputy Foreign Minister Nguyen Dinh Bin held talks. The two sides informed each other of the situation in their respective countries, discussed measures to boost bilateral comprehensive relations, and compared notes on issues of common concern.

On behalf of the two Foreign Ministries, Mr. Bin and Mr. Abouzeid signed a bilateral cooperation protocol between the two ministries.

Before leaving Vietnam today, Mr. Abouzeid paid a courtesy visit and delivered a letter from Egyptian foreign minister, Mr. 'Amr Musa, to Foreign Minister Nguyen Manh Cam.

SRV: More Foreign Investment Projects Awarded Licenses

BK1106155996 Hanoi VNA in English
1241 GMT 11 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 11—By mid-April of 1996, Vietnam had awarded licences to 70 joint venture and 100 percent- foreign investment projects capitalized at USD 1,222 million. It had also granted licences allowing other 28 projects now under way to increase their investment capital totalling USD 169 million while it withdrew the licences of three projects with combined capital of USD 5.6 million.

"Foreign investment in Vietnam has never declined since early this year and the quality of foreign-invested projects has been raised constantly to conform to Vietnam's strategy for socio- economic development," Deputy Minister of Planning and Investment Nguyen Nhac said.

Among the newly-licensed projects, 19 were from Japan, Thailand, Norway, Singapore, South Korea, Taiwan, Hong Kong and the United States which invested in textiles, garments, shoes for export, construction steel, LPG gas, gas ovens, home electric appliances, sanitary equipment and other products.

According to Mr Nhac, more than 80 percent of the licensed projects were centralized on industry, construction material production, agriculture, transport services, and infrastructure facilities for concentrated industrial complexes.

SRV: Border Defense Force Commander Addresses New Tasks

BK1306110396 Hanoi Voice of Vietnam Network
in Vietnamese 2330 GMT 12 Jun 96

["Excerpt" from a speech by Colonel Pham Huu Bong, commander of the Border Defense Force, to the 6-9 May Sixth All-Army Party Congress in Hanoi — read by announcer]

[FBIS Translated Text] Our party and state have assigned the Ministry of National Defense with new tasks to manage and protect national sovereignty and to ensure security in the land and sea border areas, to establish the Border Defense Force, and to set up the Vietnam Sea Police [Canhr Sats Bieenr] in the near future. As a result, the Ministry of National Defense assumes both the management and defense tasks to ensure national sovereignty over the land and sea borders, offshore islands, and airspace. For this reason, I propose we add the task of exercising state management over national borders to the ministry's duties of enhancing management over national defense and military tasks.

The party resolution has clearly pointed out that the border defense task in this new era is comprehensive and complicated. It covers the management work; defending national sovereignty and territorial integrity; maintaining political security and social order and safety in the border areas, territorial waters, and offshore islands; defending national interests, natural resources, and the environment; and building a border area of peace, friendship, and cooperation with the neighboring countries.

These are the great, heavy, and long-term tasks aimed at contributing to our people's two strategic tasks of building and defending the socialist Vietnamese fatherland. Hostile forces still resort to armed activities at various scales in their schemes to undermine us. As a result, we must heighten our vigilance on the land and sea border areas — the frontier of our fatherland — to strengthen our defense capability and to be ready to deal with all circumstances.

Our regular and long-term tasks are to protect national independence, sovereignty, and territorial integrity; maintain security and order; build and firmly maintain the people's confidence; and ensure stability on the border areas. These are important tasks for our state, especially in managing and protecting the fatherland. It is necessary for us to enhance our party's unified, integrated leadership and the state uniform management over the border areas, while maintaining state regulations and disciplines and overcoming such phenomena as arbitrariness, dispersion, departmentalism, and localism.

I propose that the state promulgate legal documents on national border areas, and seriously implement the state laws and international treaties that were signed by our state with other countries sharing a common land and sea borders. We should formulate comprehensive lines and measures in order to defend our national sovereignty and territorial integrity, protect our frontier and marker posts, ensure security and social order and safety at the border areas and offshore islands; closely manage and check visitors and the export and import of goods and equipment; oppose all acts of infiltration that cause disturbances on the border areas; and to strengthen defense tasks on the border and offshore islands.

The party resolution and state decision asserted that the National Defense Ministry is duty bound to comprehensively command and manage the Border Defense Force; build the force along revolutionary lines and make it a regular and seasoned force to advance toward modernization, and to be able to effectively manage and protect the national border areas. The Ministry, within the boundary of its authority, should coordinate with other

ministries and sectors concerned to promulgate regulations on supervising and guiding the Border Defense Force to satisfactorily carry out the task of managing and protecting the national border areas.

I propose that the Military Commission of the party Central Committee and the National Defense Ministry enhance their leadership and supervision to implement the state management function over the national border areas, offshore islands, and airspace. It should quickly formulate regulations to coordinate with various ministries and sectors to carry out the border defense task. Efforts should be made to issue resolutions and formulate plans on building the Border Defense Force for the 1996-2000 period. It is essential for the force to carry out its mission and duties in enforcing the law and exercising state management over the national land and sea borders. This should be done in accordance with its assigned task and authority, while enhancing its militancy to fulfill its duty as a member of the forces to defend the border provinces and districts.

SRV: Demise of Deputy Foreign Minister Announced

BK1306154396 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Jun 96

[FBIS Translated Text] The Communist Party of Vietnam [CPV] Central Committee, the Ministry of Foreign Affairs, the VIETNAM NEWS AGENCY, the Vietnam Mekong River Committee, the National Committee for the Advancement of Vietnamese Women, the Thua Thien-Hue Province party committee and People's Committee, and the bereaved family announce with deep sorrow that Comrade Le Mai, alias Chau Van Tien, born on 11 October 1940 at An Thuy village, Huong Thuy District, Thua Thien-Hue Province; member of the CPV Central Committee; deputy foreign minister; member of the Party Affairs Committee of the Ministry of Foreign Affairs party organization; vice chairman of the Vietnam Mekong River Committee; vice chairman of the National Committee for the Advancement of Vietnamese Women; participant in the revolution since 1962; and holder of the Anti-U.S. National Salvation Order, third class, and of the For the Sake of Vietnam's Diplomatic Cause Order, passed away on 13 June 1996 at the Huu Nghi Hospital in Hanoi as a result of a sudden heart attack despite the dedicated care and treatment of his doctors and family.

Homage and memorial services will be held at the funeral house of the Ministry of National Defense at No. 5 Le Thanh Tong Street in Hanoi at 0930 and 1300, respectively, on 17 June 1996. Burial services will be held on the same day at the Mai Dich Cemetery in Hanoi.

SRV: Deputy Foreign Minister Le Mai Dies of Heart Attack

BK1306033396 Hong Kong AFP in English 0316 GMT 13 Jun 96

[FBIS Transcribed Text] HANOI, June 13 (AFP) — Le Mai, a prominent Vietnamese vice foreign minister who led efforts to repair his country's relations with the United States, has died aged 56, the foreign ministry announced Thursday.

Mai, a career diplomat who had been tipped for a higher job in the ministry, led intense diplomatic activities that culminated in July 1995 in President Bill Clinton's normalisation of relations between the United States and Vietnam.

The vice minister died of a heart attack in hospital in Hanoi early Thursday.

Vice minister since March 1990, Mai was the public face of efforts by Vietnam to end its isolation under the US embargo and normalise relations.

He led the Vietnamese team negotiating on issues such as the search for missing American soldiers and the return of US diplomatic properties before the two sides established full relations last year.

With fluent English and an affable manner combined with tough negotiating skills, Mai was an ideal figure to engage in the delicate work of rebuilding relations.

Mai also saw his role as changing Vietnam's image in the United States where he often had to confront people opposed to any renewing of relations.

"We're being recognised more and more as a country for our economic developments and our foreign policy of reconciliation but there is a long way to go to eradicate the phenomena in the United States is that Vietnam is just a war," he said in an interview prior to normalisation.

Mai earlier served as Vietnamese ambassador to Thailand and as a young diplomat had been a translator and assistant at the Paris Peace Talks in 1973.

His first overseas post was as a diplomat in China for the National Liberation Front — the South Vietnamese communist organisation — during the Cultural Revolution from 1965-68.

Born in Hue in central Vietnam in 1940, he was a journalist who entered the foreign ministry aged 25 as a specialist on the Americas. He later served as director of the press and information department in the ministry.

SRV Article Discusses 'Peaceful Evolution'

*BK1206160396 Hanoi Voice of Vietnam Network
in Vietnamese 2330 GMT 11 Jun 96*

["Essay" by Le Xuan Luu: "Relations Between Building and Defending the Fatherland in the New Revolutionary Stage"—from the "Topical Talk" program]

[FBIS Translated Text] Our party has asserted the two closely interrelated strategic tasks of our current revolution to be the building and defending of the nation. An objective demand at present is to study the relations between building and defending the fatherland to satisfactorily carry out these two tasks.

Scholars discussed this issue a great deal in the past, and the realities of the revolution in various socialist countries during the past several decades have provided us with many lessons of experience.

Things are different today. The imperialists cannot easily resort to war to eliminate socialism. This is because war not only causes the loss of life and property, but also creates the opportunity for rivals to surge forward. Moreover, war is likely to be opposed by the people, denounced by progressive mankind, and is very difficult to win. As a result, the archimperialist forces are compelled to seek other means to eliminate socialism. That is the peaceful evolution.

Peaceful evolution was at first only a guiding thought in the foreign policy of imperialist countries. It gradually became a perfect strategy, covering objectives, forces, measures, and steps to eliminate socialism. In implementing peaceful evolution, the imperialist forces take military power to be the instrument of deterrence to back up their political, ideological, psychological, economic, cultural, and diplomatic measures. They try to export factors against socialism into socialist countries to create diversified mutations, especially in the ideological domain, thereby setting up opposition forces to change the regime in these countries without resorting to war. For this reason, it is also called the war without gunfire.

After socialism collapsed in the former Soviet Union and other East European countries, Vietnam has become a vital place for carrying out peaceful evolution by imperialism. The peaceful evolution scheme conducted by the imperialists in Vietnam is similar in some ways to that carried out by the imperialists in other countries, but with some different features stemming from Vietnam's unique condition. That is, the Vietnamese nation has undergone ordeals and tests in the protracted struggle against aggressors and enemies who are difficult to defeat. On the other hand, in the war of aggression in the past, the imperialists created a number of reactionary forces who are now still living in our country, and a

number of them are living abroad. They can be used to carry out various wicked schemes. For this reason, the peaceful evolution in Vietnam has been combined with rebellion and is coordinated with military activities.

Due to the imperialist peaceful evolution scheme, the general concept in defending our fatherland has developed notably. The theory on relations between building and defending the nation is still applicable, yet it is not complete. It has different points, as follows:

1. Today, defending the fatherland is not only defending the land, airspace, and territorial waters; it is also the defense of Marxism-Leninism and Ho Chi Minh Thought, the party leadership, and the socialist revolutionary path chosen by our party and people.

The imperialist forces, using their modern technologies and deceitful tactics, are consistently attempting to attack our people's ideology. They are striving to promote pragmatism, highly appraise the values of capitalism such as freedom, democracy, human rights, and pluralism, praise economic and technological achievements of capitalism as the superiority of the capitalist regime. On the other hand, they smear and distort the historic achievements of socialism and exaggerate the weaknesses and difficulties of socialism, saying that these are characteristics of socialism stemming from Marxism-Leninism and the Communist Party's leadership.

They cite the collapse of socialism in the former Soviet Union and Eastern European countries to demonstrate that choosing the socialist path was a mistake. They point out the contradicting features between the two regimes, incite a feeble comparison, create discontented concepts, and arouse a struggle to eliminate Marxism-Leninism and Ho Chi Minh Thought and reject the Communist Party's leadership and socialist revolutionary path.

They have attempted to develop factors against socialism in our society and to set up an internal opposition force by persuading and integrating pragmatic elements who chase after money and who engage in corruption and smuggling—degenerate persons, opportunists, and discontented elements. They then try to internationalize this force in order to be able to support it from outside the country. They also attempt to contact and persuade people among the contingent of our leading cadres and intellectuals with illusory concepts to set up a banner against our regime.

It is incorrect to say that in their attack to change the concept of our cadres, party members, and the people, the imperialist forces have achieved nothing. We are well aware that in the face of the peaceful evolution

of imperialist forces, some people in the contingent of our cadres, party members, and people have shown their vacillating and suspicious attitude and allegation to abandon Marxism-Leninism and Ho Chi Minh Thought to follow the sign of another path.

Some people have said that we only need to build a democratic and developed society and should forget about socialist orientations. Others have maintained that the party is only a progressive organization within the national political system. They do not want to recognize the party's leadership role in our society. Still others want to replace the principle of democratic centralism — the basic principle governing the organization of our party and state — with the formula of absolute democracy and strict discipline, and so forth.

There were many causes leading to the collapse of the socialist regimes in the former Soviet Union and Eastern Europe. One of the major causes rested with the failure of the ruling circles to understand that the enemy had changed its strategy by using peaceful evolution to eliminate socialism. As a result, they only concentrated efforts on a different front, instead of fighting against the peaceful evolution scheme. This gave the enemy time to effect a change on the ideological front and to create an opposition faction within the party to eliminate socialism.

Nowadays, to speak of national defense is to speak of the need to fight against peaceful evolution, defend Marxism-Leninism and Ho Chi Minh ideology, and safeguard the party's leadership role and the socialist revolutionary path.

2. Once the enemy uses peaceful evolution as a strategy to eliminate socialism, the relations between national construction and defense are no longer the same as before. In the past, when the enemy used war to eliminate socialism, the relations between national construction and defense were built upon efforts to combine all elements of a new society with national defense capabilities to serve the purposes of quickly defending the fatherland from a war of aggression. To put it another way, this process involved both national construction and preparations for national defense under wartime conditions, when defense and construction did not take place at the same time.

These relations are no longer the same now that the enemy has used peaceful evolution as a strategy to eliminate socialism. Defense takes place along with construction. Construction and defense are closely related and incorporated in each policy and each action program, any time and anywhere, and should be effected on the political, economic, cultural, social, scientific, technological, and diplomatic fronts. Construction and defense

are always linked together in all domains of activities. Construction cannot be carried out correctly and effectively unless efforts are made to: rectify, first of all, the errors made by the internal organization; neutralize the opposition of bad elements inside; and crush the dark schemes of outside forces. Failure to safeguard policies and lines through concrete actions will make it difficult for the cause of national construction to advance along the socialist path. Now that the offensive of imperialism against socialism has shifted its target from a politico-military domain to an economic front, the enemy has used the economic factor as an instrument to eliminate socialism.

The need for capital to meet national construction requirements makes it necessary for countries like ours to take advantage of all sources of aid and loans granted by different governments, nongovernmental organizations, and international economic institutions like the International Monetary Fund, the World Bank, and the Asian Development Bank. No countries or organizations will grant loans without specific conditions attached. Of course, these conditions do not have a purely economic character only. Therefore, we should know the right approach to take in order to avoid being tied up by conditions that are detrimental to our interests. We should not forget that certain economic forces now want to assume the role of a world state to liberate the remaining socialist countries through privatization and free market.

By intensifying our cooperation and joint ventures with other countries, we will obtain not only more money but also the new technology needed for the purpose of industrialization and modernization. At present, along with making full use of the fruits of the technological revolution to ensure success in all competitions, capitalist countries are inclined to readjust their technologies. They are trying to gradually transfer their secondary and obsolete technologies to those countries that are the recipients of their aid and investment. If we fail to remain alert regarding technological imports, not only will we be unable to achieve our set objectives, but we will also turn our country into a dumping site for the technological garbage of developed countries.

Various forms of services—such as labor cooperation and the provision of experts and other banking, information, advertisement, post office, and tourism services—must be promoted because they are necessary for the expansion of our economic relations with foreign countries and are capable of attracting foreign currency for the country. Yet, these activities must be carried out in the right direction without causing any harm to the national economy and culture.

Although advertising is inseparable from a market economy, our news media must not be lured by money into running advertisements for anything or any kind of goods without paying any attention to their quality and the consequences of advertising. We must not be lured by money into renting out land to build casinos in our country or into opening golf courses without taking into account the fact that our cultivable area will be reduced and our environment will be destroyed.

Tourism is associated with civilized societies and has the potential to attract large amounts of foreign currency, but we only need cultural tourism. Absolutely, we must not allow those abusing such activities to turn our country into a depraved entertainment location or a venue for sex tours, as this will bring serious consequences for our social life and morality.

It is necessary to expand domestic and international communications and liaison activities to create favorable conditions for economic exchanges. We must not, however, use this as an excuse to loosen our control, thus letting evil and hostile elements take advantage of our means of communication to sneak our economic and military secrets out of the country or to run their smuggling and sabotage activities.

3. Today, in the fight against peaceful evolution schemes, the role of various forces has also changed as compared with the period when the war against foreign aggression was still going on. Ours was the people's war, which was conducted under party leadership. In whatever war, the main force that confronts the enemy is the national defense force. As for the fight against peaceful evolution schemes—in which the most important tasks are to defend Marxism-Leninism, Ho Chi Minh Thought, the party leadership, and the socialist path—the political, economic, cultural, and diplomatic forces play a main role. It is these forces that set forth policies and run day-to-day businesses. The national defense force, however, is still responsible for the defense of the aforementioned institutions and is a vital force in the fight against rebellious and subversive activities, as was the case in the war against foreign aggression.

Dear comrades and friends: The cause of national construction and defense requires us to be clearly aware of the imperialists' peaceful evolution schemes and tricks, as present demands for national defense consist of many new factors different from what they were previously. We must satisfactorily resolve the relationship between construction and defense, improve our sense of national defense in all policies and activities, and ensure correct fulfillment of the role of various forces in the fight against peaceful evolution schemes. Only through this can we carry out satisfactorily the two strategic tasks to ensure that our country can develop in accordance with the socialist path already chosen by our party and people.

SRV: National Electricity Line Shows 'Great Results'

BK1006021996 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 7 Jun 96

[FBIS Translated Text] Two years ago, on 27 May 1994, the 500-Kilovolt North-South Electricity Line satisfactorily passed its test run and was put into service according to the plan approved by the prime minister. After two years of operation, the line has shown its great results in many aspects.

In the north, the hydroelectricity power stations have quickly developed with abundant and cheap resources. The Hoa Binh hydroelectricity station has put all eight turbines into service, nearly reaching its planned production goal. As of 31 May, more than 4.85 billion kilowatt-hour of electricity produced by the Hoa Binh hydroelectricity station had been sent to central and southern provinces.

The two-year operation of this line has shown that the electricity equipment were correctly chosen and operation regulations, such as the switching system of the electricity line for maintenance, all conform with the calculations.

Australia**Australia: Fiji Repeats Offer To Help With Bougainville Problem**

LD1106200396 Melbourne Radio Australia
in English 1900 GMT 11 Jun 96

[FBIS Transcribed Text] Fiji's Prime Minister, Sitiveni Rabuka, has repeated Fiji's offer to help implement a peace agreement in Bougainville. However, Rabuka, who was speaking in Canberra, said Fiji would become involved in Bougainville only to implement a solution agreed to by Papua New Guinea.

[Begin Rabuka recording] The initiative has to be made, and taken, by Papua New Guinea. It is an integral part of the territory of Papua New Guinea and it's up to them to invite external agencies to participate. We have had experience in peacekeeping in other parts of the world and the only time when peacekeeping efforts are successful is when the belligerents agree on outsiders coming in. And in this case the... [changes thought] ...if it's a unilateral decision by the outside agency to come in, it will not work. [end recording]

Australia: Prime Minister Welcomes Fiji Constitutional Review

LD1106201696 Melbourne Radio Australia
in English 1900 GMT 11 Jun 96

[FBIS Transcribed Text] Australia's Prime Minister John Howard, says he is encouraged by attempts to create a broadly acceptable constitution for Fiji. Howard's office said he was briefed on progress in the Fiji constitutional review during talks in Canberra with Fiji's Prime Minister Sitiveni Rabuka. Rabuka told Howard that the review would be completed in August and there would then be a period of substantial discussion.

Australia's prime minister said he was encouraged by what Rabuka had said about the constitutional review and the prospects for an outcome that would be broadly acceptable to all communities in Fiji.

Australia: Shots Fired at Indonesian Fishing Boats

BK1206074296 (Internet) Australian Broadcasting
Corporation Online WWW in English
0306 GMT 12 Jun 96

[FBIS Transcribed Text] Indonesian fishing vessels fishing in Australian waters have been shot at by the Australian Navy Patrol Boat HMAS [Her Majesty's Australian Ship] Gawler.

Freelance cameraman Danny Sim, on board at the time, says the incident happened about 500 kilometres from Darwin near the Ashmore Reef last week.

He says seven fishing boats were involved and authorities decided to target one of the ships as the others began to flee once they spotted the Navy.

Mr Sim says shots were fired after numerous requests for the Indonesians to stop were ignored.

Australia: SRV Sensitive About Planned Battle Commemoration

BK1106075796 Sydney THE SYDNEY MORNING
HERALD in English 11 Jun 96

[Report by David Lague — received via Internet]

[FBIS Transcribed Text] The Deputy Prime Minister, Mr Fischer, has been warned that his plan to lead a group of veterans to hold a memorial service at the site of a major Vietnam War battle might "reopen old wounds" with Hanoi.

A confidential Department of Foreign Affairs and Trade [DFAT] cable from the Australian Embassy in Hanoi has revealed that the Vietnamese leadership is highly sensitive about the proposed visit — to commemorate the 30th anniversary of the Battle of Long Tan on August 18.

It shows that the Australian Government is considering offering aid to the local community as a demonstration of goodwill and an inducement for Hanoi to allow the visit.

The cable, dated May 10, said a senior official of Vietnam's Ministry of Foreign Affairs, Mr Nguyen Duy Hung, was "visibly discomforted" at the planned ceremony, which Australia wanted to include as part of Mr Fischer's visit to Vietnam from August 15 to 19.

"With respect to the Long Tan component of the visit, Hung expressed concern over the sensitivity of the issue and said Vietnam did not want to 'reopen old wounds'," the cable said.

"He said this was a matter which would have to be considered by the senior Government leadership. Hung said Vietnam understood Australia's desire for a commemoration but remained concerned at this revival of 'unhappy memories' in the bilateral relationship.

"He was also concerned that the event could be used to stir up 'negative publicity' in Australia against Vietnam."

The Battle of Long Tan saw some of the fiercest and most intense fighting involving Australians in Vietnam.

About 100 soldiers from D company of the 6th Battalion, Royal Australian Regiment, were ambushed on August 18, 1966, by about 2,500 Viet Cong and the

ensuing battle left 18 Australians and an estimated 245 Vietnamese dead.

Mr Fischer served in Vietnam in 1968 and 1969.

DFAT cables show the Australian Government has proposed that Mr Fischer would lead a delegation including the Minister for Veterans Affairs, Mr Scott, the Opposition spokesman on veterans affairs, Mr Stephen Martin, about 27 veterans and four officials.

About 100 other veterans and their families are expected to make their own way to the ceremony.

Australia: Media Release on Trade Minister's Visit to Brazil

BK1106111896 (Internet) Australian Department of Foreign Affairs and Trade WWW in English
11 Jun 96

["Media release" issued by Tim Fischer, Australian deputy prime minister and minister for trade, on 11 June; place not given: "Deputy Prime Minister Visits Brazil"]

[FBIS Transcribed Text] The Deputy Prime Minister and Minister for Trade, Tim Fischer, today expressed Australia's serious concerns about Brazil's application of a 25 pc [percent] shipping freight tax to Australia's exports to Brazil. "The shipping freight tax imposes an unfair disadvantage on Australian companies exporting to Brazil," Mr Fischer said. "I have formally lodged Australia's concerns with Brazilian Ministers to restart the process of bilateral discussions with a view to altering this impost." Mr Fischer said he was convinced that Brazil would be the engine of growth in Latin America.

"Like Indonesia in the Asian region, Brazil is emerging from a long period of inward-looking and protectionist measures, and is embracing policies which advance trade and investment liberalisation," he said. He noted that Brazil's GDP of \$588 billion (1994) [figure as received] was now larger than China's GDP. "If the economic reform program remains on track, it will open up excellent prospects for Australia within Brazil in areas such as telecommunications, agribusiness, and mining equipment. Brazil's potential for fuelling sound economic growth in Latin America as a whole, through projects such as the Bolivia to Brazil gas pipeline, opens further opportunities for Australian companies.

"Brazil is already Australia's largest export market in Latin America, but the economic relationship is narrowly based. Clearly, as Brazil's reform program continues, we must try to broaden that relationship and I strongly urge Australian companies to be more proactive in their approach to this market."

During his visit Mr Fischer held productive meetings with Brazil's Minister for Mines and Energy, the Deputy Ministers for Agriculture and Supply, and for Industry, Commerce and Tourism, and the Acting Minister for External Relations. Their discussions included the prospects for expanding two-way trade and investment, approaches to the Cairns Group, and the work program of the World Trade Organisation.

The Brazilian Deputy Minister for Agriculture and Supply, Ailton Barcelos Fernandes, expressed Brazil's commitment to the Cairns Group in its efforts to further liberalise world agricultural trade and Mr Fischer reaffirmed that Australia, as chair of the Cairns Group, would work to ensure agriculture was addressed at the WTO meeting in Singapore later this year. Both countries agreed to work with other Cairns Group countries at Cartagena on June 13-14 to develop an effective approach to the Singapore meeting.

Mr Fischer and Brazilian Ministers also discussed the regional economic integration processes under way in their regions, agreeing that it was important that no action be taken in these activities which had the effect of closing off free and fair trade between Latin America, Australia, and East Asia. Mr Fischer added that Australia and Brazil would continue to work together to promote mutual interests through a range of international organisations.

Australia: Media Release on Trade Minister's Visit to Argentina

BK1206092496 (Internet) Australian Department of Foreign Affairs and Trade WWW in English
12 Jun 96

["Media release" issued by Tim Fischer, Australian deputy prime minister and minister for trade, on 12 June; place not given: "Australia-Argentina Links Reinforced"]

[FBIS Transcribed Text] The cooperative relationship between Australia and Argentina had reached a new peak, the Deputy Prime Minister and Minister for Trade, Tim Fischer, said after a successful visit to Buenos Aires. "The cooperation between our two countries developed as a result of our joint membership of the Cairns Group, and has broadened during the Uruguay Round," Mr Fischer said. "The result is that we now have a strong and growing dialogue and partnership across a range of issues, and one which I am confident can be further enhanced.

"One sign of this is that while in Argentina I signed a mutual cooperation agreement between Austrade and Argentina's Exportar, which will facilitate cooperation between our countries' export promotion agencies.

"In particular, I think the newly-initiated dialogue between Australia and New Zealand under CER [Closer Economic Relations], and the Mercosur [Southern Cone Common Market] countries (Brazil, Argentina, Paraguay and Uruguay) will open up new areas where Australia and Argentina can work together."

The first high-level meeting of the CER and Mercosur groups, in Auckland in April, produced agreement on a work program covering customs facilitation, recognition of standards and professional qualifications, and the promotion of investment flows.

Mr Fischer said a key objective of his visit to Argentina was to promote expanded commercial links. An excellent example of these links was in the mining sector, where MIM Holdings Ltd and North Ltd had interests in Argentina's first world-scale mining project, the massive Alumbrera copper-gold development. He noted that Australian investment in Argentina is estimated at \$2 billion [Australian dollars], adding that there were good prospects for this investment to generate increased trade flows.

Mr Fischer held meetings with key Argentine Ministers including Acting President Dr Carlos Ruckauf, Chief of Cabinet Jorge Rodriguez, Acting Foreign Minister Fernando Petrella, and Acting Economy Minister Juan Llach. "During these especially good meetings I highlighted Australia's capabilities in mining, agribusiness, telecommunications and infrastructure development," Mr Fischer said. "I reinforced the message that the Australian Government is keen to support its exporters and investors to perform better in these areas of the Argentine economy," he said.

Australia: Downer Hopeful for Security Council Seat

LD1206090796 Melbourne Radio Australia in English 0700 GMT 12 Jun 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, says Australia's campaign for a seat on the United Nations Security Council is going well. Mr. Downer is in New York lobbying for international support and plans to meet Washington's ambassador to the United Nations, Madeleine Albright.

Australia, Sweden, and Portugal are vying for two vacant Security Council seats. The United Nations is scheduled to elect the new council members in October for a two-year term and the foreign minister says the UN's electoral process means Australia can't be complacent about success.

[Begin Downer recording] There is the unpredictability of the United Nations' balloting system, so you can

never be sure. I mean, I have heard of countries going into these elections in years gone by with all the confidence in the world and ending up by losing, so I would just say that we are working very hard on this. We are thinking a lot about how we run the campaign and I think we are doing it in a reasonably astute and sensible way. So we hope for a successful outcome, but I make no elaborate predictions at this stage. [end recording]

Australia: Prime Minister Vows To Maintain Defense Spending

BK0706082196 Melbourne Radio Australia in English 0500 GMT 7 Jun 96

[FBIS Transcribed Text] Australia's prime minister, John Howard, says his government will maintain defense spending because the region is potentially unstable. Mr. Howard says other areas of government face cuts but Australia's defense spending has already been cut to the bone:

[Begin Howard recording] We live in a region of the world which is potentially less stable, not more stable, as a result of the end of the Cold War. And the idea that you can cut defense further and hold yourself out as a responsible government... [pauses] And let me say, now that you have asked me a question, we have said there will be no overall cuts in to the defense budget. There will be a cut in the administration of defense and the money that will be saved there will be shifted to the front line — to the soldiers, not to the bureaucrats. [end recording]

Mr. Howard says Australia is spending only 2 percent of its GDP on defense. He says maintaining defense spending at that level is an important national priority.

Australia: Defense Minister Urges 'Revolution' To Modernize Forces

BK1206020596 Sydney THE SYDNEY MORNING HERALD in English 12 Jun 96

[Report by David Lague and Pilita Clark — received via Internet]

[FBIS Transcribed Text] The Minister for Defence, Mr McLachlan, has called for a revolution in the Australian Defence Force (ADF) to strip away unnecessary management and outdated military culture and to redirect resources to boost combat firepower.

Meanwhile, the Minister for Foreign Affairs, Mr Downer, was yesterday seeking to expand Australia's defence ties with the United States. Mr Downer said the Howard Government may offer American troops greater access to Australian training areas.

Mr McLachlan signalled yesterday that the military should scrap duplication between the army, navy and RAAF [Royal Australian Air Force] in administration and combat support services.

He said major private corporations had undergone massive change in the 1990s with layers of middle management dumped and new ties negotiated between management and labour.

"There have been no equivalent large-scale changes in the way the Australian Defence Force has been structured," he said.

"For us the focus needs to be on squeezing the maximum amount of military capability out of our budget.

"Doing that means avoiding turf battles over who controls what, and instead taking a hard look at how we in the organisation operate."

Mr McLachlan told an RAAF Air Power conference in Canberra that defence forces were not directly comparable with private corporations but the military also needed to review and overhaul its management and practices.

While Mr McLachlan was urging ADF reforms, Mr Downer was urging closer military ties with the U.S. Speaking after a meeting with the U.S. Secretary of Defence, Mr William Perry, Mr Downer said both his Government and the Clinton Administration were keen to develop closer military ties.

"On the part of both of us there has been a useful discussion about the increased access to Australian training areas by U.S. forces in the Pacific," he said.

Mr Downer, who is visiting Washington for the first time as Foreign Minister, refused to say precisely what form this increased access might take, and said further details would have to await next month's annual Australia-US ministerial talks on defence, due to take place in Australia.

Mr Downer also avoided answering questions about whether closer military ties with the US would include the so-called "pre-positioning" of American military supplies in Australia, a proposal included in the Coalition's election platform.

For nearly two years, the Pentagon has been trying to position what has been dubbed a "floating war depot" of up to six merchant ships somewhere in East Asia to allow the rapid deployment of supplies to the Korean Peninsula and to the Persian Gulf region.

Pentagon plans call for the ships to carry tanks and M2A2 Bradley Fighting Vehicles, as well as hospital supplies, medical equipment and food rations; enough equipment to sustain the equivalent of up to one heavy brigade or one armoured cavalry regiment for a minimum of 15 days.

The Clinton Administration asked the Thai Government in September 1994 to allow the ships to be stationed in the Gulf of Thailand, but the request was refused.

The Philippines Government subsequently made it clear it was not interested in allowing such a flotilla in its waters, and few other nations in the region had expressed an interest until the Howard Government was elected this year.

It is understood that Australia was regarded initially as being too distant to serve as a base for the floating depot.

Asked if the US was now interested in using Australia as a base for the depot, Mr Downer said:

"Those sorts of details, to use a phrase somebody used to me yesterday, are down in the weeds and, you know, we'll be pulling them up for you a little later, but not today."

Asked if there was a possibility of US troops being stationed in the Northern Territory, Mr Downer said: "I really don't want to go into details. This is something we want to work through further with the United States Administration."

Mr McLachlan will also visit the US next week for more detailed talks with his counterpart, Mr Perry, on an increased US presence in Australia.

He is also expected to discuss the impact of revolutionary defence technology on the defence alliance with Washington.